



**Training Proposal for:**  
**California Manufacturing Technology Consulting**  
**Agreement Number: ET16-0116**

**Panel Meeting of:** July 24, 2015

**ETP Regional Office:** North Hollywood

**Analyst:** M. Paccarelli

**PROJECT PROFILE**

Contract Attributes:	Retrainee Priority Rate SB <100	Industry Sector(s):	Manufacturing Aerospace and Defense Biotechnology/Life Sciences Engineering Technology/Other Priority Industry: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Counties Served:	Statewide	Repeat Contractor:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Union(s):	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
Turnover Rate:	≤20%		
Managers/Supervisors: (% of total trainees)	≤20%		

**FUNDING DETAIL:**

<b>Program Costs</b>	+	<b>Support Costs</b>	=	<b>Total ETP Funding</b>
\$1,122,120		\$77,625 8%		\$1,199,745

<b>In-Kind Contribution:</b>	<b>50% of Total ETP Funding Required</b>	<b>\$1,128,022</b>
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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	Continuous Impr., Mgt. Skills; Business Skills; Computer Skills; Mfg. Skills; Literacy Skills	405	8-200	0	\$924	\$15.07
				Weighted Avg: 48			
2	Retrainee Priority Rate SB<100	Continuous Impr., Mgt. Skills; Business Skills; Computer Skills; Mfg. Skills; Literacy Skills	675	8-200	0	\$1,223	\$15.07
				Weighted Avg: 44			

**Minimum Hourly Wage by County:** \$16.44 for Alameda, Contra Costa, Marin, San Francisco, San Mateo and Santa Clara Counties; 15.97 for Los Angeles County; \$16.02 for Orange County; \$15.93 for San Diego County; \$15.75 for Sacramento County, \$15.56 for Alpine County and \$15.07 for all other counties.

**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

Participating employers may use health benefits to meet the Post-Retention Wage.

Wage Range by Occupation		
Occupation Titles	Wage Range	Estimated # of Trainees
Administrative Staff		160
Technical Staff		180
Production Staff		440
Sales Staff		100
Frontline Supervisor		120
Manager		60
Owner (For Small Business only)		20

**INTRODUCTION**

This will be the 16<sup>th</sup> Agreement between ETP and California Manufacturing Technology Consulting (CMTC) ([www.cmtc.com](http://www.cmtc.com)). CMTC was established in 1992 as a private non-profit corporation, affiliated with the US Department of Commerce, National Institute of Standards and Technology, and Hollings Manufacturing Extension Partnership to assist small and medium-sized

manufacturers in California to improve operational efficiencies and global competitiveness. Its mission is to create solutions for manufacturing growth and profitability supporting a thriving manufacturing sector in the State of California.

CMTC engages companies from all manufacturing sectors including aerospace and defense, energy, food and beverage, consumer, automotive, computer and electronics, plastics and rubber, medical device, and industrial. The training and consulting assistance its clients receive supports increased sales, investment and profits, creates and retains jobs, and improves productivity for business growth. The “core” group of employers consists of those in the priority industries and represents over 80% of the requested funding.

CMTC’s customers are mostly small manufacturers that represent a cross section of manufacturing sectors; many are suppliers to Original Equipment Manufacturers. CMTC served more than 900 small manufacturers primarily located in Southern California last year; the majority has 100 or fewer employees and a significant number under 50 employees. These companies are challenged to stay competitive and relevant in the supply chain. They require training on the latest advanced manufacturing technologies and, in some cases, basic lean and quality processes to ensure workers have the skills needed to increase productivity and product quality.

## **PROJECT DETAILS**

### **Training Plan**

**Business Skills (12%):** Training will be offered to all occupations to sharpen sales, presentation, and negotiating skills; goal setting and time management; and teach innovation, new product development, and global business practices. Training will improve communications skills to better serve customers.

**Computer Skills (17%):** Training will be offered to all occupations to become proficient in E-Commerce, Enterprise and Manufacturing Management Systems, and database applications to support all areas of a business from sales through production and delivery.

**Continuous Improvement (33%):** Training will be offered to all occupations to analyze and improve their work environment on an ongoing basis. This will improve productivity and product quality.

**Management Skills (7%):** Training will be offered to Managers, Supervisors and Owners to learn strategic planning, implement change, and become more effective leaders that can motivate and coach workers in a high-performance workplace.

**Manufacturing Skills (23%):** Training will be offered to Production Staff to improve productivity, product quality, plant efficiency, and reduce waste. Workers will be trained on the proper and efficient use of equipment and machinery, good manufacturing practices, blueprint reading and shop math, product quality, and specialized industry technology such as clean room operations and biotechnology procedures.

**Literacy Skills (8%):** Training will help improve written and verbal communication skills of any individuals whose primary language is not English. It is essential that workers, especially Production Staff, have the ability to follow verbal direction, and read and comprehend work orders and standard operating procedures to ensure quality and safety.

## **Impact/Outcome**

CMTC assists manufacturers to prepare for certification programs that are typically awarded on the basis of training, internal improvement, and certification by a third party upon success. Participating employers could eventually achieve ISO Certification, CE Mark, Continuous Energy Improvement, and Safe Quality Food certifications of completion. These certifications and/or product diversification often lead to new markets and increased sales, which ultimately help companies grow and provide workforce stability.

## **Training Infrastructure**

Approximately 75% of the training will be delivered by internal staff. Training vendors with extensive manufacturing expertise will deliver 25% of training. Most have a minimum of 15 years of experience working in a variety of manufacturing environments, including food, aerospace, automotive and other industries.

## **Commitment to Training**

Employer-initiated, internal training activities vary widely among participating employers. Training within small companies can often be narrowly focused on job-specific skills and provided on an “as needed” basis in an informal setting. Employers generally lack the budget and manpower to undertake more in-depth programs that would improve productivity and generate growth in a significant way.

CMTC represents that ETP funds will not displace the participating employers’ existing financial commitment to training. Safety training is, and will continue to be, provided by the participating employers in accordance with all pertinent requirements under state and federal law.

## **Marketing and Support Costs**

CMTC is solely responsible for marketing this program. Account managers and consultants serve hundreds of manufacturers throughout Southern California every year. They conduct face-to-face visits, identify each client’s goals, design improvement projects, and determine how training will help execute their training plans and achieve their goals.

CMTC has built strong relationships with many partners including City, County and regional economic development agencies; Chambers of Commerce; Industry Associations; Community Colleges and Universities; Small Business Development Centers; Workforce Investment Boards; and One-Stop Centers. Activities include hosting workshops, new program development and expansion, promoting each other’s services, and cross referrals to ensure employers are able to access all available resources. By leveraging these partnerships, CMTC expands the resources available to its customers.

CMTC is requesting, and staff recommends, 8% support costs for employer assessment and recruitment. CMTC program success is based on spending a significant amount of upfront time doing needs assessments, creating action plans, customizing training programs, and ensuring that company leadership is committed to realizing the plan. It will also help ensure that CMTC can invest the time needed to design well-developed training plans so that goals are achieved.

## **Curriculum Development and Feedback**

CMTC surveys California manufacturers to identify key barriers to growth, and the results are used to develop its curriculum. As part of the Manufacturing Extension Partnership (MEP) system, CMTC has access to national and regional data on industry trends that help keep subject matter

current. CMTC has added several new curriculum topics over the past few months: Innovation Engineering Management Systems and New Product Development courses engage workers and management to develop new products and services; Risk Management and Supply Chain Optimization address the potential disruption of manufacturing due to natural disasters; and Family Business Management helps family members work within a company. Finally, CMTC has increased the number of food manufacturers it serves under the CEI initiative, adding Safe Quality Food training.

Employer and trainee feedback is obtained regularly. Trainees submit course evaluations to trainers, while CMTC account managers meet with clients to review evaluations and ensure that program goals are being met. As a MEP Center, all clients are surveyed by an independent third party within six to twelve months after training ends to quantify impact from CMTC services and measure customer satisfaction.

**Tuition Reimbursement**

CMTC represents that students enrolled in the ETP-funded program will not be charged tuition, fees, or any other costs associated with training. The representation will be made a condition of the Agreement.

**RECOMMENDATION**

Staff recommends approval of this proposal.

**ACTIVE PROJECTS**

The following table summarized performance by CMTC under an active ETP Agreement:

Agreement No.	Approved Amount	Term	No. Trainees (Estimated)	No. Completed Training	No. Retained
ET15-0139	\$1,249,997	07/07/14 – 07/06/16	536	415	229

Based on the ETP Systems, 39,054 reimbursable hours have been tracked for potential earnings of \$958,572 (77% of approved amount). The Contractor projects final earnings of 100% based on training in progress and currently committed employers.

**PRIOR PROJECTS**

The following table summarizes performance by CMTC under ETP Agreements that were completed within the last five years:

Agreement No.	Location (City)	Term	Approved Amount	Payment Earned
ET13-0356	Statewide	05/01/13 - 04/30/15	\$849,940	Estimated* \$849,940 (100%)
ET12-0333	Statewide	04/02/12 - 04/01/14	\$748,748	\$748,748 (100%)
ET11-0225	Statewide	05/02/11 - 05/01/13	\$399,833	\$399,687 (99%)

ET10-0274	Statewide	11/02/09 - 11/01/11	\$374,913	\$374,913 (100%)
ET09-0515	Statewide	04/06/09 - 04/05/11	\$350,329	\$350,608 (100%)

\*ET13-0356 – To date, the total earned amount approved by ETP is \$639,592. A Final Closeout Invoice was submitted in May 2015 for an additional \$210,348. If approved, the potential overall earnings will be 100%.

### **DEVELOPMENT SERVICES**

N/A

### **ADMINISTRATIVE SERVICES**

N/A

### **TRAINING VENDORS**

The following vendors have been retained to provide training for an amount to be determined prior to the start of training:

North Orange County Community College District (Anaheim) – Manufacturing and Business Skills  
Riverside Community College (Riverside) – Manufacturing and Business Skills  
University of San Diego Extension (La Jolla) – Continuous Improvement and Business Skills  
Soldering.Biz (Los Alamitos) – Manufacturing Skills

Other trainers will be identified for ETP record-keeping purposes, as they are retained.

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

8-200

Trainees may receive any of the following:

**CONTINUOUS IMPROVEMENT**

- Teams and Team Building
- Problem Solving
- Communication Skills
- Leadership Skills
- Leading Change
- Lean Manufacturing
- Implementing ISO 9001
- Implementing TS16949
- Implementing AS9100
- Implementing ISO 14001
- Implementing ISO 5001
- Safe Quality Food
- Environmental Management System Implementation
- Continuous Energy Improvement
- Six Sigma
- Design of Experiments
- Failure Mode and Effects Analysis
- Statistical Process Control
- Quality Function Deployment and New Management & Planning Tools
- Improving Process Cycle Times
- Quality Management Systems
- Quality Inspection
- Risk Management
- Supply Chain Optimization
- Production and Inventory Management
- Integrated Resource Management

**MANAGEMENT SKILLS (Managers & Supervisors Only)**

- Management/Supervisory Skills
- Family Business Management
- Strategic Planning and Policy Deployment

**BUSINESS SKILLS**

- Sales Skills
- Business Writing
- Conflict Management
- Effective Meeting Skills
- Financial Analysis Skills
- Goal Setting
- Project Management
- Negotiation Skills
- Presentation Skills
- Providing Quality Customer Service

- Time Management Skills
- Global Business and Exporting
- Innovation Engineering Management Systems
- New Product Development
- Technology Driven Market Intelligence

### **COMPUTER SKILLS**

- Enterprise Resource Planning
- Electronic Commerce and eBusiness
- Word Processing (Intermediate & Advanced Level)
- Spreadsheets (Intermediate & Advanced Level)
- Presentation Software
- Database Management
- CAD/CAM Software Training

### **MANUFACTURING SKILLS**

- Programmable Logic Controllers
- Soldering
- Blueprint Reading
- Shop Math and Geometric Dimensioning & Tolerancing
- CNC Programming
- Additive Manufacturing
- Surface Mount Technology: Manufacturing & Rework
- Printed Wiring Board Repair
- Through Hole Technology: Rework and Repair
- Sewing
- Productions Skills
- FDA Good Manufacturing Practices
- FDA Good Laboratory Practices
- Small Batch Manufacturing
- Large Batch Manufacturing
- Clean Room Technology
- Biotech Research and Development
- Metrology
- Writing Standard Operating Procedures
- Biotechnology Design Control
- Product Submissions: Getting to Market
- Quality System Requirements, Good Manufacturing Practices & Inspections
- Medical Devices and the European Market
- Requirements for Device Safety
- Manufacturing Logistics Management
- Value Energy Stream Mapping

### **LITERACY SKILLS**

- Vocational English as a Second Language

Literacy Training cannot exceed 45% of total training hours per-trainee

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

## Participating Employers in Retrainee Multiple Employer Contracts

Contractor's Name: CMTC

CCG No.: ET16-0116

Reference No: 15-0300

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Company: Able Industrial Products, Inc.

Address: 2006 South Baker Ave.

City, State, Zip: Ontario, CA 91761

Collective Bargaining Agreement(s): N/A

Estimated # of employees to be retrained under this Agreement: 22

Total # of full-time company employees worldwide: 75

Total # of full-time company employees in California: 45

Company: Ameditech, Inc.

Address: 9940 Mesa Rim Road

City, State, Zip: San Diego, CA 92121

Collective Bargaining Agreement(s): N/A

Estimated # of employees to be retrained under this Agreement: 15

Total # of full-time company employees worldwide: 119

Total # of full-time company employees in California: 119

Company: Asturias Manufacturing

Address: 310 Cessna Circle

City, State, Zip: Corona, CA 92880

Collective Bargaining Agreement(s): N/A

Estimated # of employees to be retrained under this Agreement: 40

Total # of full-time company employees worldwide: 45

Total # of full-time company employees in California: 45

Company: Atlas Pacific Corporation

Address: 2803 Industrial Dr.

City, State, Zip: Bloomington, CA 92316

Collective Bargaining Agreement(s): N/A

Estimated # of employees to be retrained under this Agreement: 4

Total # of full-time company employees worldwide: 30

Total # of full-time company employees in California: 30

## Participating Employers in Retrainee Multiple Employer Contracts

Contractor's Name: CMTC

CCG No.: ET16-0116

Reference No: 15-0300

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Company: AVX Filters Corporation

Address: 11144 Penrose Street

City, State, Zip: Sun Valley, CA 91352

Collective Bargaining Agreement(s): N/A

Estimated # of employees to be retrained under this Agreement: 12

Total # of full-time company employees worldwide: 130

Total # of full-time company employees in California: 130

Company: Bazz Houston Company

Address: 12700 Western Avenue

City, State, Zip: Garden Grove, CA 92841

Collective Bargaining Agreement(s): N/A

Estimated # of employees to be retrained under this Agreement: 40

Total # of full-time company employees worldwide: 92

Total # of full-time company employees in California: 92

Company: Branan Medical Corporation

Address: 140 Technology Drive

City, State, Zip: Irvine, CA 92618

Collective Bargaining Agreement(s): N/A

Estimated # of employees to be retrained under this Agreement: 40

Total # of full-time company employees worldwide: 76

Total # of full-time company employees in California: 76

Company: California Manufacturing & Engineering Co, LLC

Address: 1401 S. Madera Ave.

City, State, Zip: Kerman, CA 93630

Collective Bargaining Agreement(s): N/A

Estimated # of employees to be retrained under this Agreement: 55

Total # of full-time company employees worldwide: 180

Total # of full-time company employees in California: 180

## Participating Employers in Retrainee Multiple Employer Contracts

Contractor's Name: CMTC

CCG No.: ET16-0116

Reference No: 15-0300

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Company: Carlsbad Technology, Inc.

Address: 5922 Farnsworth Court, Suite 102

City, State, Zip: Carlsbad, CA 92008

Collective Bargaining Agreement(s): N/A

Estimated # of employees to be retrained under this Agreement: 40

Total # of full-time company employees worldwide: 110

Total # of full-time company employees in California: 108

Company: D&K Engineering

Address: 15890 Bernardo Center Drive

City, State, Zip: San Diego, CA 92127

Collective Bargaining Agreement(s): N/A

Estimated # of employees to be retrained under this Agreement: 65

Total # of full-time company employees worldwide: 431

Total # of full-time company employees in California: 316

Company: Dante Valve Company

Address: 15230 Lakewood Blvd.

City, State, Zip: Bellflower, CA 90706

Collective Bargaining Agreement(s): N/A

Estimated # of employees to be retrained under this Agreement: 17

Total # of full-time company employees worldwide: 43

Total # of full-time company employees in California: 36

Company: Dramm & Echter, Inc.

Address: 1150 Quail Gardens Road

City, State, Zip: Encinitas, CA 92023

Collective Bargaining Agreement(s): N/A

Estimated # of employees to be retrained under this Agreement: 40

Total # of full-time company employees worldwide: 96

Total # of full-time company employees in California: 96

## Participating Employers in Retrainee Multiple Employer Contracts

Contractor's Name: CMTC

CCG No.: ET16-0116

Reference No: 15-0300

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Company: Finn & Fram, Inc.

Address: 16773 Schoenborn Street

City, State, Zip: North Hills, CA 91343

Collective Bargaining Agreement(s): N/A

Estimated # of employees to be retrained under this Agreement: 8

Total # of full-time company employees worldwide: 8

Total # of full-time company employees in California: 8

Company: Gamma Scientific Inc.

Address: 9925 Carroll Canyon Rd.

City, State, Zip: San Diego, CA 92131

Collective Bargaining Agreement(s): N/A

Estimated # of employees to be retrained under this Agreement: 20

Total # of full-time company employees worldwide: 48

Total # of full-time company employees in California: 46

Company: Geiger Plastics Inc.

Address: 16150 S. Maple Ave., # A

City, State, Zip: Gardena, CA 90248

Collective Bargaining Agreement(s): N/A

Estimated # of employees to be retrained under this Agreement: 6

Total # of full-time company employees worldwide: 21

Total # of full-time company employees in California: 21

Company: Hero Nutritionals, LLC

Address: 1900 Carnegie Ave., Suite A

City, State, Zip: Santa Ana, CA 92705

Collective Bargaining Agreement(s): N/A

Estimated # of employees to be retrained under this Agreement: 12

Total # of full-time company employees worldwide: 38

Total # of full-time company employees in California: 38

**Participating Employers in Retrainee  
Multiple Employer Contracts**

Contractor's Name: CMTC

CCG No.: ET16-0116

Reference No: 15-0300

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Company: Initiative Foods, LLC

Address: 1117 K Street

City, State, Zip: Sanger, CA 93657

Collective Bargaining Agreement(s): N/A

Estimated # of employees to be retrained under this Agreement: 40

Total # of full-time company employees worldwide: 100

Total # of full-time company employees in California: 100

Company: MacLean-Sky

Address: 5989 Rickenbacker Rd.

City, State, Zip: Commerce, CA 90040

Collective Bargaining Agreement(s): N/A

Estimated # of employees to be retrained under this Agreement: 40

Total # of full-time company employees worldwide: 3,000

Total # of full-time company employees in California: 52

Company: Marking Methods Inc.

Address: 301 S. Raymond Ave.

City, State, Zip: Alhambra, CA 91803

Collective Bargaining Agreement(s): N/A

Estimated # of employees to be retrained under this Agreement: 22

Total # of full-time company employees worldwide: 22

Total # of full-time company employees in California: 22

Company: Noma Bearing Corporation

Address: 1555 W. Rosecrans Ave.

City, State, Zip: Gardena, CA 90249

Collective Bargaining Agreement(s): N/A

Estimated # of employees to be retrained under this Agreement: 12

Total # of full-time company employees worldwide: 14

Total # of full-time company employees in California: 14

## Participating Employers in Retrainee Multiple Employer Contracts

Contractor's Name: CMTC

CCG No.: ET16-0116

Reference No: 15-0300

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Company: Non-Stop Label Corp. co-employed w/Oasis Outsourcing

Address: 16221 Arthur St.

City, State, Zip: Cerritos, CA 90703

Collective Bargaining Agreement(s): N/A

Estimated # of employees to be retrained under this Agreement: 13

Total # of full-time company employees worldwide: 51

Total # of full-time company employees in California: 51

Company: Optical Zonu Corporation

Address: 15028 Delano St.

City, State, Zip: Van Nuys, CA 91411

Collective Bargaining Agreement(s): N/A

Estimated # of employees to be retrained under this Agreement: 14

Total # of full-time company employees worldwide: 19

Total # of full-time company employees in California: 18

Company: Performance Materials Corporation dba Tencate Performance Composites

Address: 1150 Calle Suerte

City, State, Zip: Camarillo, CA 93012

Collective Bargaining Agreement(s): N/A

Estimated # of employees to be retrained under this Agreement: 30

Total # of full-time company employees worldwide: 145

Total # of full-time company employees in California: 48

Company: Popcornopolis

Address: 1301 E. El Segundo Blvd.

City, State, Zip: El Segundo, CA 90245

Collective Bargaining Agreement(s): N/A

Estimated # of employees to be retrained under this Agreement: 30

Total # of full-time company employees worldwide: 103

Total # of full-time company employees in California: 99

## Participating Employers in Retrainee Multiple Employer Contracts

Contractor's Name: CMTC

CCG No.: ET16-0116

Reference No: 15-0300

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Company: Prolacta Bioscience, Inc.

Address: 757 Baldwin Park Blvd.

City, State, Zip: City of Industry, CA 91746

Collective Bargaining Agreement(s): N/A

Estimated # of employees to be retrained under this Agreement: 20

Total # of full-time company employees worldwide: 139

Total # of full-time company employees in California: 118

Company: Pulse Instruments

Address: 1234 Francisco St.

City, State, Zip: Torrance, CA 90502

Collective Bargaining Agreement(s): N/A

Estimated # of employees to be retrained under this Agreement: 14

Total # of full-time company employees worldwide: 14

Total # of full-time company employees in California: 14

Company: Purosil LLC (MCP Industries Inc.)

Address: 708 S. Temescal St., Ste. 102

City, State, Zip: Corona, CA 92879

Collective Bargaining Agreement(s): N/A

Estimated # of employees to be retrained under this Agreement: 34

Total # of full-time company employees worldwide: 140

Total # of full-time company employees in California: 140

Company: RSA Engineered Products

Address: 110 W. Cochran, Ste. A

City, State, Zip: Simi Valley, CA 93065

Collective Bargaining Agreement(s): N/A

Estimated # of employees to be retrained under this Agreement: 35

Total # of full-time company employees worldwide: 69

Total # of full-time company employees in California: 69

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## Participating Employers in Retrainee Multiple Employer Contracts

Contractor's Name: CMTC

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Company: R&B Machine

Address: 2048 W. 11<sup>th</sup> St.

City, State, Zip: Upland, CA 91786

Collective Bargaining Agreement(s): N/A

Estimated # of employees to be retrained under this Agreement: 11

Total # of full-time company employees worldwide: 39

Total # of full-time company employees in California: 39

Company: Ship & Shore Environmental, Inc.

Address: 2474 N. Palm Dr.

City, State, Zip: Signal Hill, CA 90755

Collective Bargaining Agreement(s): N/A

Estimated # of employees to be retrained under this Agreement: 20

Total # of full-time company employees worldwide: 36

Total # of full-time company employees in California: 35