



Training Proposal for:
California Manufacturing Technology Consulting
Agreement Number: ET17-0254

Panel Meeting of: October 28, 2016

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:

Program Costs	+	Support Costs	=	Total ETP Funding
\$888,400		\$61,450 8%		\$949,850

In-Kind Contribution:	50% of Total ETP Funding Required	\$590,302
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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., Mgmt. Skills, Business Skills, Computer Skills, Mfg. Skills, Literacy Skills	300	8-200	0	\$924	\$15.60
				Weighted Avg: 48			
2	Retrainee Priority Rate SB<100	Continuous Impr., Mgmt. Skills, Business Skills, Computer Skills, Mfg. Skills, Literacy Skills	550	8-200	0	\$1,223	\$15.60
				Weighted Avg: 44			

Minimum Hourly Wage by County: \$17.02 for Alameda, Contra Costa, Marin, San Francisco, San Mateo and Santa Clara Counties; \$16.48 for Los Angeles County; \$16.51 for Orange County; \$16.46 for San Diego County; \$16.10 for Sacramento County, \$15.91 for Alpine County and \$15.60 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		100
Technical Staff		220
Production Staff		250
Sales Staff		80
Frontline Supervisor		90
Manager		70
Owner (Job Number 2 - For Small Business only)		40

INTRODUCTION

California Manufacturing Technology Consulting (CMTC) (www.cmtc.com) 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. Last year, CMTC served more than 900 small manufacturers primarily located in Southern California. The majority of these businesses have 100 or fewer employees and a significant number have 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. This will be the 17th Agreement between ETP and CMTC.

PROJECT DETAILS

Training Plan

Business Skills (10%): Training will be offered to all occupations to communicate more effectively and to provide quality customer service to internal and external customers alike.

Computer Skills (10%): Training will be offered to all occupations to become more proficient in the areas of E-Commerce, Enterprise and Manufacturing Management Systems, and database applications.

Continuous Improvement (50%): Training will be offered to all occupations to enhance workers’ skills in the areas of teamwork, Process Improvements, ISO standards, Problem Solving, and related skills. Trainees from all occupations will participate in these modules.

Management Skills (5%): Training will be offered to Managers, Supervisors and Owners. Training will provide Managers and Supervisors with skills to implement changes and become more effective leaders in high performance workplaces.

Manufacturing Skills (20%): Training will provide Production Staff with skills pertaining to Shop Measurements, Geometric Dimensions and Tolerances, Blueprint Reading, Additive Manufacturing, Smart Manufacturing Sensors, Cyber-Physical Security, Flexible-hybrid electronics and other manufacturing topics. This training is designed to improve productivity, product quality, plant efficiencies, and reduce waste.

Literacy Skills (5%): Training will help employers meet the ongoing need to improve written and verbal communication skills for individuals for whom English is their second language. It is essential that Production Staff possess the literacy skills to comprehend processes and procedures to ensure quality.

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, 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 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 significant growth.

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 the benefit of securing national and regional data on industry trends and needs. Most

updates to its curriculum come from the feedback and efforts of the national system. As an example, CMTC is currently participating in the development of new basic training modules for smart manufacturing. Work with community college partners to develop new curriculum is another method CMTC uses to incorporate new industry trends and technologies into our program.

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.

Substantial Contribution

CMTC serves large and small companies, some of which may have received training in prior ETP contracts. If a large participating employer (over 100 full-time employees) has received the benefit of training with payment earned in excess of \$250,000 within the past five years, reimbursement for trainees at the same facility will be reduced by 15% to reflect that employer’s substantial contribution to the cost of training. Funding for any employer that has previously been assessed a substantial contribution will be reduced by 30%. Small businesses with 100 or fewer full-time employees are not subject to this provision.

Tuition Reimbursement

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
ET16-0116	\$1,199,745	08/01/15 - 07/31/17	1,080	356	126

Based on the ETP Systems, 36,248 reimbursable hours have been tracked for potential earnings of \$896,679 (75% of approved amount). The Contractor projects final earnings of 100% based on training committed and in progress with current participating employers by March 2017.

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
ET15-0139	Statewide	07/04/14 - 07/06/16	\$1,249,997	Estimated* \$1,249,997 (100%)

ET13-0356	Statewide	05/01/13 - 04/30/15	\$849,940	\$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%)

*ET15-0139 – To date, the total earned amount approved by ETP is \$814,097. A Final Closeout Invoice was submitted in September 2016 for an additional \$435,893. 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:

Soldering.Biz (Los Alamitos) – Manufacturing Skills
CALBEC (Clovis) – Continuous Improvement
FLEX LLC (Carlsbad) – Computer 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 (SFQ)
- Environmental Management System (EMS) Implementation
- Continuous Energy Improvement (CEI)
- Six Sigma
- Design of Experiments (DOE)
- Failure Mode and Effects Analysis (FMEA)
- Statistical Process Control (SPC)
- Quality Function Deployment (QFD) 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 and 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 (ERP)
- 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 (cGMP)
- FDA Good Laboratory Practices (cGLP)
- Small Batch Manufacturing
- Large Batch Manufacturing
- Clean Room Technology
- Biotech Research and Development
- Metrology
- Writing Standard Operating Procedures (SOPs)
- 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
- Smart Manufacturing Sensors
- Cyber-Physical Security
- Flexible-Hybrid electronics

LITERACY SKILLS

- Vocational English as a Second Language (VESL)

Literacy skills training will not 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: California Manufacturing Technology Consulting CCG No.: ET17-0254
Reference No: 17-0035 Page 1 of 7

PRINT OR TYPE IN ALPHABETICAL ORDER

Company: Access I/O

Address: 10623 Roselle Street

City, State, Zip: San Diego, CA 92121

Collective Bargaining Agreement(s): No

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: Accudyne / (Haskel Aerospace)

Address: 100 E Graham Pl

City, State, Zip: Burbank, CA 91502

Collective Bargaining Agreement(s): No

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

Total # of full-time company employees worldwide: 1,000

Total # of full-time company employees in California: 93

Company: Arcadia Chair Company

Address: 5692 Fresca Drive

City, State, Zip: La Palma, CA 90623

Collective Bargaining Agreement(s): No

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

Total # of full-time company employees worldwide: 365

Total # of full-time company employees in California: 363

Company: Bazz Houston Co

Address: 12700 Western Avenue

City, State, Zip: Garden Grove, CA 92841

Collective Bargaining Agreement(s): No

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

Total # of full-time company employees worldwide: 180

Total # of full-time company employees in California: 89

**Participating Employers in Retrainee
Multiple Employer Contracts**

Contractor's Name: California Manufacturing Technology Consulting CCG No.: ET17-0254
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PRINT OR TYPE IN ALPHABETICAL ORDER

Company: Cannon Gasket Inc.

Address: 7784 Edison Avenue

City, State, Zip: Fontana, CA 92336

Collective Bargaining Agreement(s): No

Estimated # of employees to be retrained under this Agreement: 10

Total # of full-time company employees worldwide: 21

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

Company: Contract Labeling Service

Address: 4881 Airport Drive

City, State, Zip: Ontario, CA 91761

Collective Bargaining Agreement(s): No

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

Total # of full-time company employees worldwide: 46

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

Company: Craig Tools Inc.

Address: 142 Lomita Street

City, State, Zip: El Segundo, CA 90245

Collective Bargaining Agreement(s): No

Estimated # of employees to be retrained under this Agreement: 10

Total # of full-time company employees worldwide: 100

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

Company: CWD LLC dba Centric Parts

Address: 21046 S. Figueroa Street

City, State, Zip: Carson, CA 90745

Collective Bargaining Agreement(s): No

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

Total # of full-time company employees worldwide: 483

Total # of full-time company employees in California: 483

**Participating Employers in Retrainee
Multiple Employer Contracts**

Contractor's Name: California Manufacturing Technology Consulting CCG No.: ET17-0254
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PRINT OR TYPE IN ALPHABETICAL ORDER

Company: Elastomeric Specialties, Inc.

Address: 5510 Brooks St.

City, State, Zip: Montclair, CA 91763

Collective Bargaining Agreement(s): No

Estimated # of employees to be retrained under this Agreement: 5

Total # of full-time company employees worldwide: 7

Total # of full-time company employees in California: 7

Company: Elrob, Inc. dba El-Com Systems Solutions

Address: 12691 Monarch St.

City, State, Zip: Garden Grove, CA 92841-3908

Collective Bargaining Agreement(s): No

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

Total # of full-time company employees worldwide: 54

Total # of full-time company employees in California: 54

Company: Food Maker's Bakery Equipment, Inc.

Address: 16019 Adelante Street

City, State, Zip: Irwindale, CA 91702

Collective Bargaining Agreement(s): No

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

Total # of full-time company employees worldwide: 45

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

Company: Griffin Laboratories

Address: 43379 Business Park Dr., Ste. 300

City, State, Zip: Temecula, CA 92590-3687

Collective Bargaining Agreement(s): No

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

Total # of full-time company employees worldwide: 12

Total # of full-time company employees in California: 12

**Participating Employers in Retrainee
Multiple Employer Contracts**

Contractor's Name: California Manufacturing Technology Consulting CCG No.: ET17-0254
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PRINT OR TYPE IN ALPHABETICAL ORDER

Company: Hayden Products, LLC

Address: 1393 E. San Bernardino Ave.

City, State, Zip: San Bernardino, CA 92408

Collective Bargaining Agreement(s): No

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

Total # of full-time company employees worldwide: 65

Total # of full-time company employees in California: 65

Company: Heart of Nature

Address: 34710 7th Standard Rd.

City, State, Zip: Bakersfield, CA 93314-9435

Collective Bargaining Agreement(s): No

Estimated # of employees to be retrained under this Agreement: 16

Total # of full-time company employees worldwide: 16

Total # of full-time company employees in California: 16

Company: Helados La Tapatia

Address: 4495 W. Shaw Ave.

City, State, Zip: Fresno, CA 93722-0000

Collective Bargaining Agreement(s): No

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

Total # of full-time company employees worldwide: 65

Total # of full-time company employees in California: 65

Company: Hi Tech Honeycomb, Inc.

Address: 9355 Ruffin Court

City, State, Zip: San Diego, CA 92123

Collective Bargaining Agreement(s): No

Estimated # of employees to be retrained under this Agreement: 100

Total # of full-time company employees worldwide: 138

Total # of full-time company employees in California: 138

**Participating Employers in Retrainee
Multiple Employer Contracts**

Contractor's Name: California Manufacturing Technology Consulting CCG No.: ET17-0254
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PRINT OR TYPE IN ALPHABETICAL ORDER

Company: Highmark

Address: 5559 McFadden Ave.

City, State, Zip: Huntington Beach, CA 92649

Collective Bargaining Agreement(s): No

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: 48

Company: idX Corporation

Address: 5005 E. Philadelphia Street

City, State, Zip: Ontario, CA 91761

Collective Bargaining Agreement(s): No

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

Total # of full-time company employees worldwide: 1,167

Total # of full-time company employees in California: 113

Company: Integrated Manufacturing Solutions, LLC

Address: 2590 Pioneer Ave., Suite C

City, State, Zip: Vista, CA 92081

Collective Bargaining Agreement(s): No

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

Total # of full-time company employees worldwide: 47

Total # of full-time company employees in California: 47

Company: LMC Enterprises, dba Flo-Kem

Address: 19402 Susana Rd.

City, State, Zip: Rancho Dominguez, CA 90221

Collective Bargaining Agreement(s): No

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

Total # of full-time company employees worldwide: 121

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

**Participating Employers in Retrainee
Multiple Employer Contracts**

Contractor's Name: California Manufacturing Technology Consulting CCG No.: ET17-0254
Reference No: 17-0035 Page 6 of 7

PRINT OR TYPE IN ALPHABETICAL ORDER

Company: Nicotine River

Address: 709 Cochran Street, Suite A

City, State, Zip: Simi Valley, CA 93065

Collective Bargaining Agreement(s): No

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: Olson Irrigation Systems

Address: 10910 Wheatlands Ave.

City, State, Zip: Santee, CA 92071

Collective Bargaining Agreement(s): No

Estimated # of employees to be retrained under this Agreement: 29

Total # of full-time company employees worldwide: 31

Total # of full-time company employees in California: 31

Company: Optical Zonu Corporation

Address: 7510 Hazeltine

City, State, Zip: Van Nuys, CA 91411

Collective Bargaining Agreement(s): No

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

Total # of full-time company employees worldwide: 16

Total # of full-time company employees in California: 15

Company: Precision Resource

Address: 5803 Engineer Drive

City, State, Zip: Huntington Beach, CA 92649

Collective Bargaining Agreement(s): No

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

Total # of full-time company employees worldwide: 1,202

Total # of full-time company employees in California: 124

**Participating Employers in Retrainee
Multiple Employer Contracts**

Contractor's Name: California Manufacturing Technology Consulting CCG No.: ET17-0254
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PRINT OR TYPE IN ALPHABETICAL ORDER

Company: Prolacta Bioscience Inc.

Address: 757 Baldwin Park Boulevard

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

Collective Bargaining Agreement(s): No

Estimated # of employees to be retrained under this Agreement: 25

Total # of full-time company employees worldwide: 197

Total # of full-time company employees in California: 172

Company: Rayotek Scientific, Inc.

Address: 11499 Sorrento Valley Rd

City, State, Zip: San Diego, CA 92121

Collective Bargaining Agreement(s): No

Estimated # of employees to be retrained under this Agreement: 27

Total # of full-time company employees worldwide: 27

Total # of full-time company employees in California: 27

Company: Reid Metal Finishing

Address: 3110 W Harvard St., Ste. 14

City, State, Zip: Santa Ana, CA 92704-3940

Collective Bargaining Agreement(s): No

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

Total # of full-time company employees worldwide: 65

Total # of full-time company employees in California: 65

Company: Votaw Precision Technologies

Address: 13153 Lakeland Road

City, State, Zip: Santa Fe Springs, CA 90670

Collective Bargaining Agreement(s): No

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

Total # of full-time company employees worldwide: 246

Total # of full-time company employees in California: 246
