



Training Proposal for:
CTP Transportation Products, LLC
Agreement Number: ET15-0178

Panel Meeting of: June 27, 2014

ETP Regional Office: North Hollywood

Analyst: M. Paccereilli

PROJECT PROFILE

Contract Attributes:	Retrainee Priority Rate	Industry Sector(s):	Manufacturing Priority Industry: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Counties Served:	San Bernardino	Repeat Contractor:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Union(s):	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
Number of Employees in:	CA: 160	U.S.: 2,000	Worldwide: 4,000
<u>Turnover Rate:</u>	4%		
<u>Managers/Supervisors:</u> (% of total trainees)	12%		

FUNDING DETAIL

Program Costs	-	(Substantial Contribution)	(High Earner Reduction)	=	Total ETP Funding
\$126,060		\$0	\$0		\$126,060

In-Kind Contribution:	100% of Total ETP Funding Required	\$127,095
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TRAINING PLAN

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	Mfg. Skills, PL-Mfg. Skills, Business Skills, Computer Skills, Continuous Impr., Literacy Skills, Mgmt Skills	135	8-200	0-35	\$756	\$14.90
				Weighted Avg: 42			
2	Retrainee Job Creation Initiative Priority Rate	Mfg. Skills, PL-Mfg. Skills, Business Skills, Computer Skills, Continuous Impr., Literacy Skills, Mgmt Skills	15	8-200	0-35	\$1,600	\$12.19
				Weighted Avg: 80			

Minimum Wage by County: \$14.90 per hour in Job Number 1 and \$12,19 per hour in Job Number 2 for San Bernardino 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 \$3.63 per hour in Job Number 1 and up to \$0.92 per hour in Job Number 2 may be used to meet the Post-Retention Wage.

Job 1 Wage Range by Occupation

Occupation Titles	Wage Range	Estimated # of Trainees
Production Staff		97
Administrative Staff		23
Supervisor/Manager		15

Job 2 Wage Range by Occupation

Occupation Titles	Wage Range	Estimated # of Trainees
Production Staff		8
Administrative Staff		4
Supervisor/Manager		3

INTRODUCTION

CTP Transportation Products, LLC (CTP), a division of Carlisle Companies (Carlisle), specializes in the production of tires, inner tubes and wheels. CTP is a worldwide supplier of industrial belts, specialty tires and wheels serving the agricultural, industrial, lawn & garden, and powersports markets. CTP is a global producer of original equipment and aftermarket replacement industrial belts specialty tires and wheels for agriculture, ATV/UTV, all-

terrain, construction, industry, lawn and garden, oil, outdoor power, powersports, recreation, towable trailers and transportation. The Company offers a comprehensive line of products made in ISO-registered manufacturing facilities and supported by innovative product development, testing and a team focused on customer satisfaction. Since 1917, CTP's culture of developing great products has given rise to a legacy of product innovation, quality and customer satisfaction.

In 2009, Carlisle consolidated four of its facilities into one plant in Ontario, California. In December 2013, the American Industrial Partners (AIP) acquired all Transportation Products Division of Carlisle and the Ontario plant was part of the acquisition. This is the facility targeted for training in this Agreement.

With the recent acquisition, it is AIP's mission to drive operational enhancements to more effectively serve its customers. CTP modified its manufacturing and distribution processes consistent with AIP's mission and vision. This will be the focus of the training which has not been provided in the prior ETP Agreements.

Retrainee - Job Creation

CTP has committed to hiring 15 new employees (Job Number 2) in the areas of production, administration and management to support its new manufacturing and distribution processes. This will not replace existing employees, but rather add more staff to fully implement its new processes.

Training for newly-hired employees will be reimbursed at a higher rate and trainees are subject to a lower post-retention wage. To be eligible for reimbursement under this Job Number, the trainees must be hired within the three-month period prior to Panel approval or during the term of contract.

PROJECT DETAILS

Training Plan

Manufacturing Skills (35%) - Training will be provided to Production Staff, Supervisors and Managers. Trainees will gain the skills and knowledge to operate and maintain current production equipment, ensure product quality, and implement best practices in product manufacturing and shop floor operations. Training will additionally consist of new equipment training along with cross-training among production cells.

Business Skills (20%) - This training will be offered to all trainees to bring them up-to-date in skill sets to optimize business productivity.

Literacy Skills (5%) - This training will be offered to Production Staff to help them to more effectively receive and carryout instructions in English which is critical in running a production line.

Computer Skills (20%) - This training will be provided to Administrative Staff, Managers and Supervisors to give them a better understanding on the use and application of CTP computer programs and software to facilitate completing tasks faster with more accuracy.

Continuous Improvement (20%) – This training will be offered to all trainees. Lean and quality is a daily process, which goes beyond simple productivity improvement. It is a practice that, when done correctly, humanizes the workplace, and teaches employees how to spot and

eliminate waste in business processes. This training will give them the ability to recognize and improve CTP processes independently rather than seeking out a supervisor to solve daily problems and challenges. Each trainee will go through at least one Kaizen event training during the contract term. Leadership Skills will be provided to Leads, Managers, and Supervisors to effectively meet demands of leading their teams/departments.

Management Skills (10%)

This training will enable Managers and Supervisors to enhance positive employee relations by expanding on existing managerial roles, empowering them to enhance and apply their coaching and counseling methodologies to their staff.

Productive Lab – Manufacturing Skills

The recent acquisition of CTP resulted in the modification of most manufacturing processes. These modifications affect the operation of complex equipment and systems. As such, incumbent workers and new hires will require up to 40 hours of PL training (and cross training) in five areas of operation: Boxing, Coating, Rim Line and Stamping. PL is needed because it is too costly to train in a simulated setting for multiple machineries such as belt washer, run-out machine, stamping machine, tool and die machine, welding machine, and taping machine.

PL training will be provided to all Production Staff, with a trainer-to-trainee ratio of 1:1. The trainers are in-house subject matter experts who are exclusively dedicated to instruction for the entire reported training time.

Commitment to Training

CTP's Ontario facility has an annual training budget of \$50,000. The Company represents that ETP funds will not displace the existing financial commitment to training. Training in Safety, New Hire Orientation, Human Resources, and Sexual Harassment is, and will continue to be, provided in accordance with all pertinent requirements under state and federal law.

➤ Training Infrastructure

CTP's Human Resources Department is knowledgeable in ETP program standards and is experienced in the execution of training, scheduling, and reporting.

Temporary to Permanent Hiring

Approximately eight trainees in Job Number 2 will be under Panel guidelines for "temporary to permanent" employment. CTP has retained these employees through a temporary agency, with the intention of hiring them into full-time, permanent positions after training.

As a hiring practice, CTP recruits workers through temporary agencies as a probationary step and trains them to become familiar with specific skill sets. Once CTP determines that they meet the requirements, the temporary workers are hired into full-time, permanent positions.

These trainees must be determined eligible to participate in ETP-funded training before the start of training, while on payroll with the temporary agency. (Unemployment Insurance Code Section 10201(c).) However, the retention and post-retention wage requirements cannot be satisfied until after they have been hired by CTP. Until then, CTP will not receive progress payments.

RECOMMENDATION

Staff recommends approval of this proposal.

PRIOR PROJECTS

The following table summarizes performance by CTP under an ETP Agreement that was completed within the last five years:

Agreement No.	Location (City)	Term	Approved Amount	Payment Earned \$ %
ET10-0154	Ontario, Long Beach	10/05/09 – 10/04/11	\$74,250	\$74,250 (100%)
ET12-0253	Ontario	02/05/12 – 02/04/14	\$97,200	\$81,380 (84%)

DEVELOPMENT SERVICES

N/A

ADMINISTRATIVE SERVICES

N/A

TRAINING VENDORS

To Be Determined

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

8 - 200

Trainees may receive any of the following:

MANUFACTURING SKILLS

- Manufacturing Process
- Warehouse Process
- Equipment Operation

BUSINESS SKILLS

- Interpersonal Communication
- Conflict Resolution
- Diversity
- Customer Relations
- Communications
- Accounting Skills

COMPUTER SKILLS

- Manufacturing Resources Planning (MRP)
- Intermediate and Advanced Microsoft Office

CONTINUOUS IMPROVEMENT

- Standardized Work
- Lean Supply Chain
- Leadership Skills
- Kaizen
- 5S

MANAGEMENT SKILLS *(For Managers/Supervisors Only)*

- Manager/Supervisor Roles
- Coaching & Counseling
- Positive Employee Relations

LITERACY SKILLS *

- Vocational English

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

PL Hours

0 – 40

PRODUCTIVE LAB - MANUFACTURING SKILLS

- ASSEMBLY
 - Wheel Assembly
 - Lettering Stamper
 - Runout Alignment
 - Valve Stem Hole Press
 - Welding Inspection

- **BOXING**
 - Box Wheel
 - Box Line
 - Fork Lift

- **COATING**
 - Painting
 - General Labor
 - Unload

- **RIM LINE**
 - Floor Inspection
 - Line #3
 - Palletizer
 - Polisher
 - Roll Operating
 - Salvage Welding
 - Visual Inspecting

- **STAMPING**
 - Feeder Press Operation
 - Press Operation
 - Final Form Press Operation
 - Inspection
 - Lugholes/ID Pierce
 - Die Set Operation

CBT Hours

0 – 35

BUSINESS SKILLS

- Interpersonal Communication (.5 hr)
- Business Writing: Editing and Proofreading (1 hr)
- Business Writing: How to write clearly and concisely (1 hr)
- Business Writing: Know your Readers and Your Purpose (1 hr)
- Professionalism, Business Etiquette & Personal Accountability (1 hr)
- Time Management: Planning and Prioritizing Your Time (1 hr)
- Front Line Supervisor (8 hr)
- Management Essentials (15 hr)
- Workplace Conflict: Recognizing and Responding to Conflict (1 hr)
- Using Progressive Discipline to Correct Problem Performance (1 hr)
- Motivating employees (.5 hr)

Note: Reimbursement for retraining is capped at 200 total training hours per trainee, regardless of the method of delivery. CBT is capped at 50% of total training hours, per trainee.