



RETRAINEE - JOB CREATION

Training Proposal for:

C.W. Driver, Incorporated

Agreement Number: ET16-0456

Panel Meeting of: May 26, 2016

ETP Regional Office: North Hollywood

Analyst: M. Reeves

PROJECT PROFILE

Contract Attributes:	Retrainee Job Creation Initiative Priority Rate	Industry Sector(s):	Construction Priority Industry: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Counties Served:	Los Angeles, Orange, San Bernardino, San Diego, Santa Clara	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: 497	U.S.: 497	Worldwide: 497
<u>Turnover Rate:</u>	16%		
<u>Managers/Supervisors:</u> (% of total trainees)	19%		

FUNDING DETAIL

<table border="1" style="width: 100%; border-collapse: collapse;"> <tr><td style="text-align: center;">Program Costs</td></tr> <tr><td style="text-align: center;">\$199,840</td></tr> </table>	Program Costs	\$199,840	-	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr><td style="text-align: center;">(Substantial Contribution)</td></tr> <tr><td style="text-align: center;">\$0</td></tr> </table>	(Substantial Contribution)	\$0	=	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr><td style="text-align: center;">(High Earner Reduction)</td></tr> <tr><td style="text-align: center;">\$0</td></tr> </table>	(High Earner Reduction)	\$0	=	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr><td style="text-align: center;">Total ETP Funding</td></tr> <tr><td style="text-align: center;">\$199,840</td></tr> </table>	Total ETP Funding	\$199,840
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In-Kind Contribution:	100% of Total ETP Funding Required	\$250,000
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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	Adv. Technology, Business Skills, Commercial Skills, Computer Skills, Mgmt. Skills	160	8-200	0	\$1,044	*\$15.60
				Weighted Avg: 58			
2	Retrainee Job Creation Initiative Priority Rate	Adv. Technology, Business Skills, Commercial Skills, Computer Skills, Mgmt. Skills	41	8-200	0	\$800	*\$12.77
				Weighted Avg: 40			

*It will be made a condition of contract that the trainees in this Job Number will never be paid less than the State or local minimum wage rate as in effect at the end of retention (Final Payment) regardless of the wage expressed in this table. The highest minimum wage rate will prevail.

Minimum Wage by County: Job Number 1: \$17.02 per hour for Santa Clara County; \$16.51 per hour for Orange County; \$16.48 per hour for Los Angeles County; \$16.46 per hour for San Diego County; and \$15.60 per hour for San Bernardino County.

Job Number 2 (Job Creation): \$14.19 per hour for Santa Clara County; \$13.76 per hour for Orange County; \$13.73 per hour for Los Angeles County; \$13.72 per hour for San Diego County; and \$12.77 per hour 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 \$5.02 per hour (Job Number 1) and up to \$2.19 per hour (Job Number 2) may be used to meet the Post-Retention Wage.

Wage Range by Occupation		
Occupation Titles	Wage Range	Estimated # of Trainees
Job Numbers 1 and 2		
Administration/Support Staff		48
Technical Staff		71
Production Staff		43
Supervisor/Manager		39

INTRODUCTION

Founded in 1919 and headquartered in Pasadena, C.W. Driver, Incorporated (CWD) (www.cwdriver.com) provides custom design, engineering, general contracting and construction management services across a broad spectrum of industries including education, healthcare,

biomedical, entertainment, retail, industrial and government. CWD has offices in Irvine, Rancho Cucamonga, San Diego, Anaheim, San Jose and Carlsbad. The proposed training will be delivered to employees at all of these locations.

The following business improvements and construction-related developments are driving the current need for training:

- Implementation of New Human Capital Management (HCM) software program designed to strengthen CWD's ability to manage human resources, payroll and taxes more effectively. This HCM software will also improve performance management abilities, while tracking expanded learning opportunities for employees.
- Upgraded Customer Relationship Management (CRM) software for cloud integration and real-time accessibility using tablets, smartphones and laptops. This CRM upgrade will improve the ability to track and manage sales and marketing processes. This technology will strengthen the Company's competitive edge as CWD expands its business capacity and enters new markets.
- Implementation of Oracle Primavera P6 Analytics software used for managing multifaceted projects in the heavy construction industry. Primavera P6 provides CWD with the enhanced ability to analyze cause-and-effect and comparative trends across multiple projects. This software tool also provides added scheduling and planning control for project managers and schedulers. The Company estimates this technology can help reduce its project planning/management administration costs by 5%.
- Implementation of Bluebeam PDF software and PlanGrid Construction software, a paperless, cloud-based application used for creating, editing, marking up, and sharing PDF documents electronically. PlanGrid is a software application that replaces paper blueprints and enables automatic version control with real-time updates.
- Implementation of GCPay software system for automating subcontracting processes. This technology will automate and expedite the review of project phases, enable digital signature capabilities, and eliminate paperwork delays.
- California's ongoing drought requires that CWD employees understand new industry technologies such as updated plumbing design and water recycling techniques to ensure that customers are informed of their best options.

Retrainee - 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.

CWD has committed to hiring 41 new employees (Job Number 2) to support the Company's expansion into new industries such as art and science centers, assisted living centers, wineries and shopping centers. CWD is also adding new employees to help increase its market share in the high-rise development, condominiums, mixed-use and multi-family housing markets. CWD estimates that expanding its business capacity in these growing markets will help increase its market share by 3% over the next 6-12 months.

The newly-hired employees will be hired across multiple occupations within the term of the Contract, and will require extensive training to develop the skills needed to support these growth plans.

The date-of-hire for all trainees in the Job Creation program will be within the three-month period before contract approval or within the term-of-contract. These trainees will be hired into “net new jobs” as a condition of contract.

PROJECT DETAILS

Training Plan

The proposed training will help CWD upgrade the skills of its existing workforce, integrate new employees, and implement technology improvements designed to enhance productivity, product quality and overall efficiency. The majority of training will be delivered via class/lab; however, some training modules will be conducted via E-learning/virtual classroom. Training will take place at all CWD locations and will be delivered by a combination of in-house subject matter experts and outside training vendors.

Business Skills (30%) – Training will be offered to all occupations. This training will help CWD develop a foundation for implementing new administrative and financial processes related to new initiatives.

Commercial Skills (30%) – Training will be offered to all occupations. Employees will receive industry-specific training focused on market growth in new business areas. Training will also include drought management solutions for customers.

Computer Skills (25%) – Training will be offered to all occupations. Training will focus on new and upgraded software solutions designed to bring more cloud-based mobility and improved process management for all employees.

Management Skills (5%) – Training will be offered to Managers/Supervisors. This training will provide CWD’s leadership team with the skills to manage growth and guide the Company through new workflow processes and into new markets.

Advanced Technology (10%) – Training will be offered to approximately 20 Technical Staff. Trainees will be equipped with the skills to manage complex computer programming and data maintenance systems across multiple locations and projects. This training will help CWD ensure real-time information sharing, with integration to mobile and Cloud-based technology. The trainer-to-trainee ratio will be capped at 1:10 to allow in-depth coverage and personal attention from the instructor.

Prior Projects

This will be CWD’s fourth ETP Agreement and the third project within the past five years. (See Prior Performance Table) The Company’s first ETP project introduced proprietary Lean construction techniques, specifically in the area of “Last Planners Scheduling.” The second ETP Agreement enabled the Company to expand its proprietary Lean Model training to key employees across all departments and locations. In addition, the Company successfully introduced and trained most of its employees on CWD’s Integrated Product Delivery method. The third ETP Agreement included training to support CWD’s office expansion efforts and the launching of additional project delivery groups to facilitate movement into new business sectors.

Building Information Modeling (BIM) software training and Viewpoint Project Management software training were both originally planned to be delivered under the last ETP Agreement. However, BIM software training did not take place due to manufacturer and programming delays. Viewpoint construction software training did not take place due to support equipment delays. CWD is now prepared to move forward with these training modules and they have been included in the proposed Curriculum. In addition to topics that were never delivered under the previous Agreement, the remainder of the proposed Curriculum is comprised of newly added courses to ensure there will be no duplication of training for any trainees who may have participated in a prior Agreement.

Substantial Contribution

There is no Substantial Contribution being applied because no single CWD facility has earned \$250,000 or more within the past five years.

Commitment to Training

CWD has an annual training budget of approximately \$200,000. Company-funded training consists of basic skills and on-the-job training, new employee orientation, seminars and conferences, regulatory training and Leadership in Energy & Environmental Design Certification. Safety training is provided in accordance with all pertinent requirements under state and federal law.

➤ Training Infrastructure

As a repeat contractor, CWD's leadership team is familiar with ETP recordkeeping requirements and remains committed to the successful execution and proper documentation of all ETP-funded training. In addition, the Company has retained an outside administrative consultant to ensure that all training records meet ETP compliance.

RECOMMENDATION

Staff recommends approval of this proposal.

PRIOR PROJECTS

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

Agreement No.	Location (City)	Term	Approved Amount	Payment Earned \$ %
ET14-0279	Various	02/03/14 – 02/02/16	\$199,644	\$199,644 (100%)
ET12-0142	Various	10/04/11 – 10/03/13	\$275,394	\$199,376 (72%)

DEVELOPMENT SERVICES

Sallyanne Monti Consulting in San Francisco assisted with development of this proposal for a flat fee of \$7,800.

ADMINISTRATIVE SERVICES

Sallyanne Monti Consulting will also perform administrative services for a fee not to exceed 13% of payment earned.

TRAINING VENDORS

The Professional Voice in Burbank will provide Management Skills training. Kerr Hill in San Ramon will provide Business Skills training. Other trainers will be identified for ETP record-keeping purposes, as they are retained by CDW.

Exhibit B: Menu Curriculum**Class/Lab/E-Learning Hours**

8 - 200

Trainees may receive any of the following:

ADVANCED TECHNOLOGY

- ✚ Certified Network Engineer
- ✚ Computer Programming Languages (Visual Basic, C++)
- ✚ Oracle (Database Management & Storage)
- ✚ SQL Server (Cloud Ready Information Platform)

BUSINESS SKILLS

- ✚ Performance Management for New Initiatives

COMMERCIAL SKILLS

- ✚ Drought Management
- ✚ New Industries
 - Art & Science Centers
 - Assisted Living Centers
 - Condos/Multi-Family Residences
 - Hi-Rise Developments
 - Shopping Centers
 - Wineries

COMPUTER SKILLS

- ✚ Advanced Building Information Modeling 4D Modeling Software (Proprietary)
- ✚ Advanced Viewpoint Construction Software
- ✚ Bluebeam PDF Solutions
- ✚ Customer Relationship Management Proprietary
- ✚ Existing Software Interface for Reporting
- ✚ GC Pay Project Accounting Pay Application
- ✚ P6/Primavera Project Planning & Scheduling
- ✚ People Strategy Human Capital Management
- ✚ PlanGrid Construction Software

MANAGEMENT SKILLS (Managers/Supervisors Only)

- ✚ Managing Growth & Change Management

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