



**Retrainee – Job Creation  
Training Proposal for:  
CaIRAM**

**Small Business  $\leq$  \$50,000**

**ET15-0197**

**Panel Meeting of:** July 25, 2014

**ETP Regional Office:** North Hollywood

**Analyst:** E. Fuzesi

**CONTRACTOR**

- Type of Industry: Manufacturing
  - Number of Full-Time Employees
    - California: 6
    - Worldwide: 6
    - Number to be trained: 8
  - Out-of-State Competition: NAICS Code Eligible
  - Special Employment Training (SET):  Yes  No
  - High Unemployment Area (HUA):  Yes  No
  - Turnover Rate: 16%
  - Repeat Contractor:  Yes  No
- Priority Industry:  Yes  No
- Owner  Yes  No

**FUNDING**

- Requested Amount: \$9,620
- In-Kind Contribution: \$6,165

**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 SB <100	Business Skills Continuous Impr. Manufact. Skills PL-Mfg. Skills	5	8-60	0	\$1,144	\$16.00
				Weighted Avg: 44			
2	Retrainee Priority Rate SB <100 Job Creation Initiative	Business Skills Continuous Impr. Manufact. Skills PL-Mfg. Skills	3	8-60	0	\$1,300	\$16.00
				Weighted Avg: 50			

- Reimbursement Rate: Job #'s 1 and 2: \$26 SB Priority
- County(ies): Ventura
- Occupations to be Trained: Administration Staff, Production Staff, Owner
- Union Representation:  Yes  
 No
- Health Benefits: N/A

**SUBCONTRACTORS**

- Development Services: Assured Incentive Group, LLC (AIG) in San Clemente assisted with development for a flat fee of \$950.
- Administrative Services: AIG will also provide administrative services for an amount not to exceed 13% of payment earned.
- Training Vendors: To Be Determined

**OVERVIEW**

CalRAM ([www.calraminc.com](http://www.calraminc.com)), founded in 2005, designs and manufactures custom metal components for unique, low-rate production needs using tool-less manufacturing solutions such as 3D printing technology or Additive Manufacturing (AM). CalRAM operates from its 5,000 square foot Simi Valley facility and serves the aerospace, defense, and oil and gas industries.

In recent years, 3D printing has become increasingly popular. Chinese companies have been gaining ground and domestic competitors have been making inroads into the industry. Larger firms are purchasing smaller ones and then moving to other states to gain a cost advantage over California. To stay competitive, CalRAM needs to improve manufacturing processes and cross-train employees, to satisfy customer demands for lower costs and shorter lead-times.

## **Retrainee - Job Creation**

CalRAM recently won two government contracts and a comprehensive production program for a commercial satellite company, doubling its volume of business. In anticipation of the increased volume, CalRAM purchased two new machines and hired two employees.

However, once work began, the Company realized that it needed more help to keep up with the work. The Company is committed to hiring three additional Production Staff (Job Number 2). To be eligible for reimbursement under this Job Number, trainees must be hired within the three-month period prior to Panel approval or during the term of contract.

## **Training Plan**

**Business Skills (20%)** – Training will be offered to all staff to help identify new markets and methods of validating potential business. This will also help CalRAM improve the bid/quoting process to be more accurate and competitive. Strategic Planning and Project Management will enhance the tracking of raw materials and compliance with government regulations.

**Continuous Improvement (20%)** – Training will be offered to all staff to maintain CalRAM's AS9100 certification and Continuous Improvement standards as required by the aerospace industry and the more prominent clients. Trainees will understand their role in sourcing, tracking and maintaining quality control, and throughout procedures in the manufacturing process.

**Manufacturing Skills (30%)** – Training will be offered to Production Staff to become more efficient in all stages of the manufacturing cycle and meet or exceed client expectations. Trainees' work must meet all engineering requirements using specific features of the Electron Beam Melting (EBM) process. EBM generates parts directly from a CAD file including elevated temperature processing to ensure stress-free components and fabrication under vacuum to minimize contamination.

## **Productive Lab**

Productive Laboratory (PL) trainees may produce goods or provide services for profit as part of the training. The instructor must be dedicated to training delivery during all hours of training.

In this proposal, the Company is requesting training a PL setting in Manufacturing Skills to allow four Production Staff to gain practical experience in EBM, and machine set-up or programming. Being a relatively new technology, very little EBM training material exists to provide training in a simulated environment. Also, simulation would be expensive due to high raw-material costs and a limited production rate.

Projects will require trainees to process a job from beginning to end using actual client CAD files and EBM machines to create the finished product. The trainer will demonstrate each step in the process of manipulating the customer file to provide data necessary for setting-up (programming) the machine, and trainees will repeat the steps with additional coaching and corrections. The trainer will be present full-time demonstrating, monitoring, and evaluating against required learning outcomes. Lower production levels are expected. The emphasis during PL training will be on quality and understanding requirements, standards and processes. Quantity of work will not be a concern until training is completed. All trainees will receive approximately 24 PL hours each. Depending on the PL module, trainer-to-trainee ratio may vary from 1:1 to 1:3.

Prior to PL training, trainees will receive training in a Class/Lab setting. Upon completion of the PL training, trainees will continue to receive a substantial number of hours of on-the-job training at the Company's expense to bring trainees' production up to speed. Once training is complete, trainees will be able to perform all phases of the job on their own.

### **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**

- Customer Service & Project Management
- Strategic Planning: Marketing and Public Relations

**CONTINUOUS IMPROVEMENT**

- Estimating & Quoting
- Quality Management: AS9100C

**MANUFACTURING SKILLS**

- EBM Post-Processing
- Machine Set-Up/Change-Over

**Productive Lab**

0-24

**MANUFACTURING SKILLS** (ratio 1:3)

- EBM Post-Processing
- Machine Set-Up/Change-Over

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