



Retrainee – Job Creation
Training Proposal for:
Calmont Engineering & Electronics Corp.

Small Business \leq \$50,000

ET15-0154

Panel Meeting of: June 27, 2014

ETP Regional Office: San Diego

Analyst: S. Godin

CONTRACTOR

- Type of Industry: Manufacturing
Aerospace and Defense
Priority Industry: Yes No
- Number of Full-Time Employees
California: 32
Worldwide: 32
Number to be trained: 38
Owner Yes No
- Out-of-State Competition: Customers Outside CA
- Special Employment Training (SET): Yes No
- High Unemployment Area (HUA): Yes No
- Turnover Rate: 5%
- Repeat Contractor: Yes No

FUNDING

- Requested Amount: \$35,412
- In-Kind Contribution: \$32,715

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 SB <100 Priority Rate	Business Skills, Computer Skills, Cont. Imp., HazMat, Mfg. Skills, PL-Mfg Skills	32	8-60	0	\$936	\$15.98
				Weighted Avg: 36			
2	Retrainee Job Creation Initiative SB <100 Priority Rate	Business Skills, Computer Skills, Cont. Imp., HazMat, Mfg. Skills, PL-Mfg Skills	6	8-60	0	\$910	\$13.32
				Weighted Avg: 35			

- Reimbursement Rate: Job #'s 1 & 2: \$26 SB Priority
- County(ies): Orange
- Occupations to be Trained: Production Staff, Administration/Finance Staff, Materials & Planning Staff, Engineering Staff, Sales Staff, Quality Staff, Manager/Supervisor, Owner
- Union Representation: Yes
 No
- Health Benefits: Job #1: \$2.97 per hour Job #2: \$0.32 per hour

SUBCONTRACTORS

- Development Services: Training Funding Source, Seal Beach, assisted with development for a flat fee of \$1,900.
- Administrative Services: Training Funding Source will also perform administrative services of a fee not to exceed 13% of payment earned.
- Training Vendors: To Be Determined

OVERVIEW

Founded in 1958 and located in Santa Ana, Calmont Engineering & Electronics Corp. (Calmont) got its start by manufacturing Hula Hoops for Wham-O Toy Company. The Company now designs and manufactures precise, highly engineered custom wire, cable, and extruded shapes for aerospace, medical, military, and industrial applications. Customers include Northrop, Meggitt, Tesla Motors and Interplex Technologies. Calmont is an ISO 9001:2008 certified

company, is Quality Management System Compliant, and is registered with the Woman's Business Enterprise National Council as a woman-owned small business.

Calmont must ensure high quality, technologically up-to-date products. Product reliability depends on design and manufacturing process. The Company must also be able to quickly adapt to meet customer preferences, demands and requirements. To meet these challenges, Calmont recently purchased additional tooling machinery needed to increase production capabilities. ETP funds will assist in increasing its competitive edge and expanding its business through training to provide workers with skills to raise productivity, reduce costs and cycle times, and improve product quality.

To remain competitive, employees will be introduced to Business Skills, Continuous Improvement and Lean manufacturing principles. Trainees will also receive Computer Skills training in Calmont's recently purchased CableBuilder software, scheduled to go live in July 2014. Manufacturing processes and procedures cross-training will allow Calmont to close identified skills gaps and work as lean as possible while expanding its manufacturing capabilities and increasing profitability.

Retrainee – Job Creation

Calmont has purchased additional tooling machinery to support its plans to increase production capabilities and has committed to hiring 6 new employees (Job Number 2). Trainees must be hired within the three month period prior to Panel approval or during the term of the contract and will be subject to a lower post-retention wage. The job creation trainees (4 Production Staff and 2 Administrative Support Staff) will support the Company's planned manufacturing expansion.

Temporary to Permanent Employees

The Company estimates that four of the six trainees in Job Number 2 (Job Creation) will fall under the Panel guidelines for "temporary to permanent" employment. Calmont will retain these employees through a temporary agency, with the intention of hiring them into full-time, permanent positions after training. These trainees must be determined eligible to participate in ETP-funded training before the start of training, while on the payroll with the temporary agency. However, the retention and post-retention wage requirements cannot be satisfied until after they have been hired.

PROJECT DETAILS

Training Plan

Business Skills - All occupations will receive training relative to their job function. Customer service and communication skills will provide the necessary tools to interact with external and internal customers in a professional manner. Managers, Supervisors, and selected lead personnel will receive facilitator and coaching skills to become competent internal trainers. Sales and Marketing training will give the sales team the tools to implement effective sales strategies. All occupations will receive Product Knowledge training to be able to speak to the company's products and services with acumen.

Computer Skills – Engineering, Administrative/Finance and Sales Staff will receive training in the new Cable Builder design software used for costing and quoting. Production Staff and other staff who interface with Calmont's material resource planning system will receive training on new features appropriate to their work function. Administrative/Finance Staff and select Managers and Sales Staff will receive training in Word and Excel. Engineering and Materials &

Planning Staff will be trained in Autodesk/Inventor and other CAD programs needed to improve product design.

Continuous Improvement – All occupations will receive training in Lean Concepts, Leadership skills and Quality Standards. Process improvement skills will standardize control quality in the manufacturing process. Training on these topics will improve overall efficiencies and increase production levels.

Hazardous Materials Handling – Production Staff working with hazardous materials will receive skills training in hazardous waste/spill operations and emergency response and learn to properly complete material safety data sheets.

Manufacturing Skills - The Company utilizes specialized equipment and needs to ensure trainees have intimate knowledge of technical machine operation skills. Developing the skills of Production Staff and select Engineers will reduce waste, improve quality and lengthen the life of the equipment.

Productive Lab (PL) – Manufacturing Skills

Under the Panel's PL guidelines, trainees may produce goods or perform services for profit as part of the training. Calmont's trainer to trainee ratio will range from 1:1 to 1:3. The trainers are in-house subject matter experts who are exclusively dedicated to instruction for the entire reported training time. Incumbent trainees (Job Number 1) may receive up to 20 hours of PL training and job creation trainees (Job Number 2) may receive up to 30 hours of PL.

PL training for Production Staff and select Engineers in Manufacturing Skills is a valuable and cost effective way to train both newly hired and incumbent workers to operate machinery and complete production processes for the Company's production lines. PL training will compliment class/lab training modules listed in the curriculum.

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

- Finance/Accounting Procedures
- Facilitator/Train-the-Trainer Skills
- Coaching/Mentoring Skills
- Planning & Project Management
- Product Knowledge
- Sales and Marketing Skills
- Business Development Skills
- Customer Service
- Communication Skills

COMPUTER SKILLS

- Cable Builder (Cable Design Software)
- Calibration Manager
- Expandable (MRP Software)
- Payroll Processing
- Project Management Software
- Cost Center Analysis Software
- AutoDesk/Inventor
- Microsoft Office Suite

CONTINUOUS IMPROVEMENT

- Lean Manufacturing Concepts
- Quality Standards
- Leadership Skills
- Problem Solving
- Process Improvement
- Work Processes/Procedures
- 5S
- ISO 9001
- International Traffic in Arms Regulations

HAZARDOUS MATERIALS

- Emergency Clean-Up
- Hazardous Materials Handling
- Registration, Evaluation, Authorization and Restriction of Chemical Substances

MANUFACTURING SKILLS

- Equipment Operation, Maintenance & Troubleshooting
- Good Manufacturing Processes
- Quality Assurance Equipment

- Proper Inspection Tool Selection
- Industry Accepted Inspection Techniques
- Proper Care of Inspection Tools

Productive Lab

0-20 Job Number 1

0-30 Job Number 2

MANUFACTURING SKILLS

- Equipment Operation, Maintenance & Troubleshooting
- Machine Set-Up
- Machine Dimensioning
- Preventive Maintenance of Machinery
 - Artos Machine
 - Etching Machine
 - Cabling Machine
 - Mill
 - Dryer
 - Taping Machine
 - Striping Tower
 - Router
- Good Manufacturing Processes
- Industry Accepted Inspection Techniques
- Proper Care of Inspection Tools
- Performing an Inspection
- Sintering

Safety Training will be limited to 10% of total training hours per-trainee

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