

DELEGATION ORDER



**Retrainee - Job Creation
Training Proposal for:
Casco Contractors, Inc.**

Small Business \leq \$50,000

ET15-0332

Approval Date: December 8, 2014

ETP Regional Office: San Diego

Analyst: M. Ray

CONTRACTOR

- Type of Industry: Construction
Services
Priority Industry: Yes No

- Number of Full-Time Employees
California: 52
Worldwide: 52
Number to be trained: 57
Owner Yes No

- Out-of-State Competition: No OSC
- Special Employment Training (SET): Yes No
- High Unemployment Area (HUA): Yes No
- Turnover Rate: 10%
- Repeat Contractor: Yes No

FUNDING

- Requested Amount: \$42,276
- In-Kind Contribution: \$61,921

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 SET Priority Rate SB <100	Business Skills, Commercial Skills, Computer Skills, Continuous Improvement, Hazardous Materials, OSHA 10, OSHA 30, PL - Commercial Skills	52	8-60	0	\$728	\$20.32
				Weighted Avg: 28			
2	Retrainee SET Priority Rate SB <100 Job Creation Initiative	Business Skills, Commercial Skills, Computer Skills, Continuous Improvement, Hazardous Materials, OSHA 10, OSHA 30, PL - Commercial Skills	5	8-60	0	\$884	\$13.32
				Weighted Avg: 34			

- Reimbursement Rate: Job #'s 1 & 2: \$26 SB Priority
- County(ies): Orange
- Occupations to be Trained: Installer, Senior Installer, Project Lead, Administrative Support, Owner
- Union Representation: Yes
 No
- Health Benefits: Job #1: \$2.32 per hour Job #2: \$0.32 per hour

SUBCONTRACTORS

- Development Services: Training Funding Source (TFS) in Seal Beach assisted in the development of this application for a flat fee of \$2,900.
- Administrative Services: TFS will also provide administrative services for an amount not to exceed 13% of payment earned.
- Training Vendors: To Be Determined

OVERVIEW

A woman-owned company, Casco Contractors, Inc. (Casco) (www.cascocontractors.com) was founded in December 2000. Located in Irvine, Casco is a general contractor specializing in commercial tenant improvement construction. The Company also provides property maintenance services to customers such as Southern California Edison, El Pollo Loco, Marriott, Kerstin Florian, Irvine Company, Square Milner, Regus, Coldwell Banker and Richard Ellis (CBRE), Real Office Centers (ROC), and Sempra Energy.

Casco states that in the construction industry, companies are faced with projects that typically end with an overwhelming amount of incomplete and sub-par work. This translates to delays and higher costs for Casco. To address this issue, Casco has developed specific company-wide program objectives to prevent rework as well as set high quality standards to compete in the construction and property maintenance industry. One of their primary initiatives is its Zero Punch List program: an industry-first program that offers incentives to superintendents for turning over a completely accurate project, with the goal of eliminating the need for a punch list.

As part of the Zero Punch List program, the Company has also committed to implement the following technological and process improvements that will assist the Company to support all aspects of project delivery:

- Software Systems – In January 2015, Casco will implement its new construction management software system, Procore Construction. The system is designed to accelerate and improve construction project management by providing project team members with the up-to-date information needed to make timely decisions to keep projects moving forward.

In addition, the Company is currently upgrading its existing accounting software, Master Builder. This system connects all departments of the Company, encompassing the entire construction cycle including accounting, estimating, project scheduling and management, job costing, and service management to reduce mistakes and keep information current and accurate.

- Organizational Changes – Casco is committed to making organizational changes by: 1) creating human resources and architectural departments; 2) adding directors to each department; and 3) developing and improving policies and procedures to support its continued business growth.

Retrainee - Job Creation

Casco's business has grown in the past two years to 19% and 13%, respectively. Company representatives state that there's an increase in demand from Casco's existing customers to remodel space. To respond to this demand, Casco must continue to expand its existing business capacity by adding newly-hired workers to existing functions within Casco's workforce. As such, Casco projects to hire five new employees. The Company has committed to hiring five newly-hired trainees (Job Number 2): three Installers and two Administrative Support Staff. Trainees must be hired within the three-month period prior to Panel approval or during the term of contract. The Company also represents that these trainees will be hired into "net new jobs" as a condition of contract. Job Creation trainees need only meet the New Hire Minimum Wage by county.

Special Employment Training / Minimum Wage Modification

Under SET, the Company is not required to demonstrate out-of-state competition. Trainees must be earning at least the statewide average hourly wage at the end of the retention period.

For trainees employed in a priority industry, the Panel may modify the SET Wage (\$27.09) up to 25% below the statewide average hourly wage to \$20.32. The Company is requesting a wage modification to train entry-level workers in lower wage occupations (Job Number 1) to provide opportunities for promotion, wage increases, and long-term job security.

Training Plan

Business Skills – Training will be provided to all job occupations in the areas of communication, product knowledge, and customer relations to give employees the skill set to effectively implement customer solutions to ensure seamless complete profitable projects.

Commercial Skills – Training will be offered to Installers to develop their skills in all processes and procedures. Training will focus on the delivery of the Zero Punch List program to successfully implement the Company's business goal. Course topics in Installation Procedures, Equipment Operations, Field Operational Procedures, and Walk-Through Procedures will enable trainees to deliver better building services for customers.

Computer Skills – Training will be offered to all job occupations in the new and upgraded software systems. Training will allow workers to streamline processes and improve responsiveness to customers.

Continuous Improvement – Training will be offered to all occupations. Course topics in Process Improvement, Team Building, Problem Solving, and Decision Making will provide trainees skills necessary to improve productivity and increase company profitability.

Hazardous Materials – Training will be offered to Installers. Training in Explosives, Flammable Liquids, Gases, and Toxic/Infectious Substances handling will help employees to effectively manage waste/spill operations and prevent injury.

Productive Laboratory – Commercial Skills

The Panel allows training delivered in a Productive Laboratory (PL) setting. PL trainees may produce goods for profit as part of the training, in the courses identified under the Curriculum. The instructor must be dedicated to training delivery during all hours of training.

Casco requests PL training in Commercial Skills topics such as Trenching, Excavation, Concrete and Masonry, Equipment Operations, Field Operational Procedures, Installation Procedures, Job Costing, Site Logistics, and Zero Punch List. PL Training will be delivered with a 1:1 Trainer-to-Trainee ratio to approximately 23 existing and newly-hired Installers. Trainees may receive all their training hours in PL-Commercial Skills (up to 24 hours) or a combination of class/lab including PL hours. Training will be specific to type of equipment and/or process to ensure trainees receive a broader understanding of the entire construction process.

Trainers will be qualified and/or machine-certified to instruct and deliver the course content and material. Trainers are responsible for directing the operations and instructions as well as providing immediate feedback to the trainee as work is performed.

OSHA 10/30

OSHA 10/30 training is a series of courses “bundled” by industry sector and occupation. It consists of 10 hours of training for journeymen and 30 hours for supervisors. It may also be delivered to frontline workers if specifically required by the job order.

Completion of the training results in a certificate that expands employment opportunities. To ensure that each trainee receives certification, ETP will only consider payment earned upon completion of the full 10-hour or 30-hour course.

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

- ✦ Change Management
- ✦ Budgeting Skills
- ✦ Coaching Skills
- ✦ Collaboration
- ✦ Communication
- ✦ Conflict Management
- ✦ Construction Finance
- ✦ Construction Procedures
- ✦ Customer Application for Payment
- ✦ Customer Satisfaction
- ✦ Developing New Opportunities
- ✦ Leadership
- ✦ Planning Skills
- ✦ Performance Management
- ✦ Product Knowledge
- ✦ Risk Management

COMMERCIAL SKILLS

- ✦ Competent Person, Trenching
- ✦ Competent Person, Excavation
- ✦ Concrete and Masonry
- ✦ Equipment Operations
- ✦ Field Operational Procedures
- ✦ Installation Procedures
- ✦ Job Costing
- ✦ Materials Handling and Storage
- ✦ Power Tool Use and Guarding
- ✦ Ramset
- ✦ Scaffold Erection Guidelines
- ✦ Scaffold Awareness
- ✦ Signs, Signals, and Barricades
- ✦ Site Logistics
- ✦ SWPPP (Storm Water Pollution Prevention Program)
- ✦ Trenching and Excavation Awareness
- ✦ Underground Utility
- ✦ Walk Through Procedures
- ✦ Work Zone Procedures
- ✦ Zero Punch List

COMPUTER SKILLS

- ✦ New and Upgraded Software Training
- ✦ Sage
- ✦ Master Builder
- ✦ Microsoft Office
- ✦ Omni-form
- ✦ On Center (on screen take off)

- ✚ Laptop Interface with Casco System
- ✚ Microsoft Project
- ✚ Upgraded Master Builder
- ✚ Time Tracking
- ✚ New Pro Core Construction Management Software

CONTINUOUS IMPROVEMENT

- ✚ Process Improvement
- ✚ Productivity Improvement
- ✚ Quality Systems and Procedures
- ✚ Team Building
- ✚ Problem Solving
- ✚ Decision-making

HAZARDOUS MATERIALS

- ✚ Explosives
- ✚ Flammable Liquids
- ✚ Gases
- ✚ Hazard Communication (HazCom)
- ✚ Material Safety Data Sheet (MSDS)
- ✚ Toxic and Infectious Substances

OSHA 10 (CERTIFIED INSTRUCTOR)

OSHA 10 (Requires completion of 10 hours)

OSHA 30 (CERTIFIED INSTRUCTOR)

OSHA 30 (Requires completion of 30 hours)

Productive Lab

0 – 24

PRODUCTIVE LAB – COMMERCIAL SKILLS (Ratio: 1:1)

- ✚ Competent Person, Trenching
- ✚ Competent Person, Excavation
- ✚ Concrete and Masonry
- ✚ Equipment Operations
- ✚ Field Operational Procedures
- ✚ Installation Procedures
- ✚ Job Costing
- ✚ Ramset
- ✚ Scaffold Erection Guidelines
- ✚ Signs, Signals, and Barricades
- ✚ Site Logistics
- ✚ SWPPP (Storm Water Pollution Prevention Program)
- ✚ Underground Utility
- ✚ Work Zone Procedures
- ✚ Walk Through Procedures
- ✚ Zero Punch List

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