



## RETRAINEE - JOB CREATION

### Training Proposal for:

## Certified Stainless Service, Inc. dba West-Mark

**Agreement Number: ET16-0353**

**Panel Meeting of:** January 22, 2016

**ETP Regional Office:** Sacramento

**Analyst:** K. Smiley

### PROJECT PROFILE

Contract Attributes:	Retrainee Priority Rate Job Creation Initiative Veterans HUA	Industry Sector(s):	Manufacturing  Priority Industry: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
Counties Served:	Kern, Merced, Stanislaus	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: 192	U.S.: 203	Worldwide: 203	
<u>Turnover Rate:</u>	15%			
<u>Managers/Supervisors:</u> (% of total trainees)	9%			

### FUNDING DETAIL

Program Costs	-	(Substantial Contribution)	=	Total ETP Funding
\$340,560		\$0		\$340,560
		(High Earner Reduction)		
		\$0		

In-Kind Contribution:	100% of Total ETP Funding Required	\$465,000
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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 HUA Priority Rate	Business Skills, Computer Skills, Continuous Impr, HazMat, Manufacturing Skills, OSHA10/30, PL-Mfg Skills	148	8-200	0	\$1,620	\$12.00*
				Weighted Avg: 90			
2	Retrainee Priority Rate	Business Skills, Computer Skills, Continuous Impr, Management Skills, HazMat, Manufacturing Skills, OSHA10/30, PL-Mfg Skills	32	8-200	0	\$1,620	\$25.00
				Weighted Avg: 90			
3	Job Creation Initiative HUA Priority Rate	Business Skills, Computer Skills, Continuous Impr, HazMat, Manufacturing Skills, OSHA10/30, PL-Mfg Skills	16	8-200	0	\$2,400	\$12.77*
				Weighted Avg: 120			
4	Veterans HUA	Business Skills, Computer Skills, Continuous Impr, Management Skills, HazMat, Manufacturing Skills, OSHA10/30, PL-Mfg Skills	4	8-200	0	\$2,640	\$12.77*
				Weighted Avg: 120			

\*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 (HUA): \$11.70 for Kern, Merced, and Stanislaus counties; Job Number 2: \$15.60 for the same counties; Job Number 3 (Job Creation): \$10.00 for the same counties; and Job Number 4 (Veterans):\$11.70 for the same counties.

**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 \$0.77 per hour in Health Benefits may be used to meet the Post-Retention Wage for Job Numbers 3 and 4.

<b>Wage Range by Occupation</b>		
Occupation Titles	Wage Range	Estimated # of Trainees
<b>Job Number 1</b>		
Production Staff		138
Administrative Staff		10
<b>Job Number 2</b>		
Engineering Staff		6
Sales Staff		11
Supervisor/Manager		15
<b>Job Number 3 (Job Creation)</b>		
Production Staff		14
Administrative Staff		2
<b>Job Number 4 (Veterans)</b>		
Production Staff		1
Administrative Staff		1
Supervisor/Manager		2

## **INTRODUCTION**

Founded in 1967, and headquartered in Ceres, Certified Stainless Service, Inc. dba West-Mark (West-Mark) ([www.west-mark.com](http://www.west-mark.com)) manufactures tanks and trucking equipment used during the transport and delivery of liquids. The Company's products are used by customers in the Emergency, Petroleum and Energy, Construction, Military, and Food and Agriculture Industries. The Company also offers repairs, after-market parts, fabrication, and fire apparatus services.

West-Mark has four facilities in California; Atwater, Bakersfield and two in Ceres. (The Company also has a facility located in Fairbanks, Alaska.) All facilities located in California will receive training under this proposal.

## **PROJECT DETAILS**

This will be the second Agreement in the last five years for West-Mark. Under the previous Agreement ETP funding enabled West-Mark to design and establish a structured in-house training program which focused on both hard and soft skills training at the production and administrative level. Although some training topics under this proposal may be similar to those in the previous Agreement, the training will not be duplicated. Training is built upon previously learned material.

### **Need For Training**

As a custom manufacturer, West-Mark must remain competitive and distinguish itself as the manufacturer of choice for customers and employer of choice for employees. To stand above the competition, West-Mark will deliver structured training in four basic areas:

- New Employee Pathway: This is designed for employees to reach an in-house “Certification” status. Completing the Pathway Program will give trainees promotional opportunities and the ability to move across departments within the production and administrative divisions.
- Information Symmetry: This will increase communication and quality control over processes and products across departments. It will focus on cross-training to equip employees with the knowledge to understand other departmental roles and how/where they fit in.
- Customer Service: As a custom engineering manufacturer, West-Mark must provide appropriate training in customer service to ensure and expedite the fulfillment and understanding of requested products. Proper channels of information flow, means of communication, and overall work flows regarding sales and repair quoting processes will be restructured to better equip employees to properly price, design, and sell the Company’s products.
- Advanced Manufacturing: This will allow standardization of the Company’s processes, leading to more efficiency.

### **Retrainee - Job Creation**

In support of job creation, the Panel is offering incentives to companies that commit to hiring new employees. Under the Retrainee-Job Creation program, training for newly-hired employees will be reimbursed at a higher rate and trainees will be subject to a lower post-retention wage.

Customers are requesting new specialized products that meet functionality and performance demands. To meet these needs, West-Mark has invested resources in new product design and production. As a result, the Company’s sales have increased and are projected to grow 15% annually in the next couple years. Additionally, the Company will be expanding their after-market parts and service departments.

For this, West-Mark has committed to hiring 16 new employees (Job Number 3). West-Mark represents that 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. The Company also represents that these trainees will be hired into “net new jobs” as a condition of contract.

### **Veterans Program**

West-Mark has committed to training four Veterans (Job Number 4). As a Federal contractor, West-Mark has a Veterans Affirmative Action Program in place to hire and recruit Veterans. The Panel has established a higher reimbursement rate and other incentives for training California veterans.

### **Training Plan**

**Business Skills (15%)**: Training will be offered to Administrative Staff, Sales Staff, and Supervisors/Managers. Training will include Customer Service, Communication Skills, and Time Management. This training is intended to improve customer service, information flow and decrease employee burnout by creating a culture of work-life balance.

**Computer Skills (5%)**: Training will be offered to Administrative Staff, Engineering Staff, Sales Staff, and Supervisors/Managers. Training will include Enterprise Resource Planning, Computer-Assisted Drawing, Computer-Assisted Machinery, and Crystal/Sharepoint Software to optimize software and systems utilization.

**Continuous Improvement (20%):** Training will be offered to all staff. Training is intended for information symmetry across departments and assures fluidity of work-flow and department roles. Training will also improve quality control and decrease product turn-around while reducing waste.

**Hazardous Materials (5%):** Training will be offered to all Staff. Training will involve the proper handling, disposal and clean-up of hazardous materials.

**Management Skills (5%):** Training will be offered to Supervisors/Managers only and will include coaching, production/change/performance management, and strategic planning.

**Manufacturing Skills (30%):** Training will be offered to Production Staff, Engineering Staff, Sales Staff, and Supervisors/Managers. Training will focus on maintaining strict adherence to manufacturing requirements. Training will also give employees the skills and flexibility to work different assignments in the manufacturing process.

### **Certified Safety Training (5%)**

OSHA 10/30. This training is a series of courses “bundled” by industry sector and occupation. It consists of 10 hours of classroom or CBT training for journey-level workers and 30 hours for frontline supervisors. The coursework is geared to construction work, and also manufacturing. Completion of the training results in a certificate that expands employment opportunities. The coursework must be approved by Cal-OSHA, and the instructors must be certified by Cal-OSHA.

### **Productive Laboratory (15%)**

Productive Laboratory (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.

According to West-Mark, as a manufacturer, certain production skills are best learned through direct observation and hands-on experience as a supplement to classroom instruction. PL training will allow practical, real-world experience in a working environment.

West-Mark is requesting PL training for their Production Staff. West-Mark is also requesting a trainer-to-trainee ratio of 1:3 due to the high cost of equipment, training time, and scheduling considerations. Equipment to be used during PL includes Head Press, Saw, Laser Table, C-Press, Lathe-Mill, Plasma Table, Rollers, and Brake Press. Training will be taught by subject-matter experts with demonstrated knowledge and expertise in the manufacturing process. Instructors will monitor trainee competencies before they are cleared for each piece of equipment. PL will be capped at 40 hours per trainee.

### **High Unemployment Area**

All trainees work in a High Unemployment Area (HUA) with unemployment exceeding the state average by at least 25%. The Company’s locations in Kern, Merced, and Stanislaus Counties qualify for HUA status under these standards. For these trainees, the Panel may modify the ETP Minimum Wage by up to 25% if post-retention wages exceed the start-of-training wages. West-Mark is requesting a wage modification for trainees in Job Number 1 from \$15.60 to \$12.00.

## **Commitment to Training**

West-Mark has a \$100,000 annual training budget. The Company provides general safety, company orientation, and basic occupational skills to its employees. West-Mark represents that ETP funds will not displace the existing financial commitment to training. Safety training is, and will continue to be, provided in accordance with all pertinent requirements under state and federal law.

### ➤ Training Infrastructure

The Company has designated 12 staff members to help with this proposal: 2 staff members to administer the contract, 5 to assist with training records, and another 5 (part of the training committee) to approve and schedule training classes.

## **Impact/Outcome**

The training program will strengthen all employees' engagement in the learning process. Training will also provide the tools, methods and skills to benefit both the employees and the Company in creating a "work-life balance" culture.

## **RECOMMENDATION**

Staff recommends approval of this proposal.

## **ACTIVE PROJECTS**

The following table summarizes performance by West-Mark under an active ETP Agreement:

<b>Agreement No.</b>	<b>Approved Amount</b>	<b>Term</b>	<b>No. Trainees (Estimated)</b>	<b>No. Completed Training</b>	<b>No. Retained</b>
ET14-0385	\$274,400	4/28/2014– 4/27/2016	220	172	172

Although the Agreement term date is 4/27/16, West-Mark has submitted a Final Payment to close out the Agreement and has Earned in Process \$242,822 (88% of the approved amount).

## **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:

**BUSINESS SKILLS**

- Customer Service Training: MFG & Repair
- Employee Relations
- Time Management

**COMPUTER SKILLS**

- Enterprise Resource Planning
- Computer-Assisted Drawing (CAD)
- Computer-Assisted Machinery (CAM)
- Document Management Software: Crystal-Sharepoint

**CONTINUOUS IMPROVEMENT**

- Quality Control Systems
- Intersectoral Operations and Relations
- Advanced Lean Manufacturing
- Adaptive Manufacturing
- Product Research and Development
- Advanced Safety Training

**HAZARDOUS MATERIALS**

- Handling, Disposal, Clean-Up of Hazardous Materials

**MANAGEMENT SKILLS** (Supervisors/Managers only)

- Mentoring/Coaching Skills
- Production Management
- Change Management
- Strategic Planning
- Communication Skills
- Performance Management

**MANUFACTURING SKILLS**

- Production Standards: ASME/ISO STDS
- Advanced Operator Training: Production Equipment, Material Handling & Maintenance
- Advanced Assembly Practices
- Advanced Finishing Practices
- Advanced Welding (S/S & Aluminum) - Phase 2

**OSHA 10/30 (Certified OSHA Instructor)**

- OSHA 10 (requires completion of 10-hr course)
- OSHA 30 (requires completion of 30-hr course)

**Productive Lab Hours**

0-40

**MANUFACTURING SKILLS** (1:3 trainer-to-trainee ratio)

- Production Standards: ASME/ISO STDS
- Advanced Operator Training: Production Equipment, Material Handling & Maintenance
- Advanced Assembly Practices
- Advanced Finishing Practices
- Advanced Welding (S/S & Aluminum) - Phase 2

\*Safety Training will be limited to 10% of total training hours per-trainee (This cap does not apply to OSHA 10/30)

Note: Reimbursement for retraining is capped at 200 total training hours per trainee, regardless of the method of delivery. PL is capped at 40 hours per-trainee.