

**DELEGATION ORDER**



**Retrainee - Job Creation  
Training Proposal for:  
Charles McMurray Co.**

**Small Business**

**ET17-0171**

**Approval Date:** August 4, 2016

**ETP Regional Office:** Sacramento

**Analyst:** K. Smiley

**CONTRACTOR**

- Type of Industry: Services  
Manufacturing  
Priority Industry:  Yes  No
  
- Number of Full-Time Employees  
California: 98  
Worldwide: 98  
Number to be trained: 96  
Owner  Yes  No
  
- Out-of-State Competition: No OSC
- Special Employment Training (SET):  Yes  No
- High Unemployment Area (HUA):  Yes  No
- Turnover Rate: 4%
- Repeat Contractor:  Yes  No

**FUNDING**

- Requested Amount: \$99,424
- In-Kind Contribution: \$100,000

**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 SET	Business Skills, Computer Skills, Continuous Impr, Mfg Skills, PL- Mfg Skills	76	8-60	0	\$1,014	\$16.06
				Weighted Avg: 39			
2	Retrainee SB <100 Priority Rate SET	Business Skills, Computer Skills, Continuous Impr, Mfg Skills, PL- Mfg Skills	10	8-60	0	\$910	\$21.28
				Weighted Avg: 35			
3	Job Creation SB<100 Priority Rate SET HUA	Business Skills, Computer Skills, Continuous Impr, Mfg Skills, PL- Mfg Skills	10	8-60	0	\$1,326	*\$10.00
				Weighted Avg: 51			

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

- Reimbursement Rate: Job #'s 1-3: \$26 SB Priority
- County(ies): Fresno, Sacramento
- Occupations to be Trained: Customer Service Staff, Manager, Sales Staff, Administrative Staff, Warehouse Staff
- Union Representation:  Yes Local 431  
 No
- Health Benefits: Job #2 only: \$2.49 per hour

**SUBCONTRACTORS**

- Development Services: Strategic Business Solutions LLC of Visalia assisted with development for a flat fee of \$5,500.
- Administrative Services: Strategic Business Solutions LLC will also perform administrative services for a fee not to exceed 7% of payment earned.
- Training Vendors: To Be Determined

## **OVERVIEW**

Established in Fresno in 1946, Charles McMurray Co. (McMurray) ([www.charlesmcmurray.com](http://www.charlesmcmurray.com)) is a wholesale distributor of household hardware goods/laminates and a manufacturer of laminated panels. The Company compiles orders and distributes general hardware products to contractors, cabinet manufacturers, lumberyards, hardware stores, and home improvement centers, with customers in California, Nevada, and Southern Oregon. The Company's main warehouse is located in Fresno (Job Numbers 1 and 3) with a branch warehouse in Sacramento (Job Number 2).

## **PROJECT DETAILS**

This proposal will be McMurray's third. The first ETP Agreement developed a business structure to address the impact of the construction industry's downturn and incorporated basic Lean and quality improvement processes. The second ETP Agreement, focused on developing flexible skill sets to address business growth. It also developed skills for a greater online presence for business expansion.

This proposal will focus on effective communication and problem solving between departments in an effort to increase efficiencies and promote a team environment among all staff. This will create positive communication between staff that will increase client satisfaction. Additionally, Administrative Staff will receive training on the Company's new payroll software system, iSolved. Courses offered in the previous Agreement will be for newly hired trainees and incumbent staff that did not receive this training in the previous contract.

### **Retrainee - Job Creation**

In the last two years, McMurray implemented new online business processes with the intention of creating a conservative growth plan. McMurray's growth plan exceeded expectations and is now projecting approximately 15% growth in market share over the next year due to the steady influx of new clients and a recovering construction industry. This projection will necessitate increased business capacity in order to meet the needs of their clients. Trainees will include Customer Service Staff and Warehouse Staff.

McMurray has committed to hiring 10 new employees (Job Number 3). Trainees must be hired within the three-month period prior to Panel approval or during the term of contract. Trainees will be hired into "net new jobs" as a condition of contract.

### **Training Plan**

**Business Skills:** Training will be offered to all occupations to enhance customer satisfaction and increase effective communication. Courses will include effective communication, advanced sales and marketing, and strategic planning.

**Computer Skills:** Training will be offered to all occupations. All trainees will receive training in the Company's ERP Eclipse software system while Administrative and Customer Service Staff will train in Microsoft Office Suite, iSolved payroll software and web portal design and development. Training will ensure competency in all software programs.

**Manufacturing Skills:** Training will be offered to Warehouse Staff and will include Laminate Panel manufacturing equipment (and processes) and advanced materials handling training. This training will increase production efficiencies and ensure a safe working environment.

**Continuous Improvement:** Training will be offered to all occupations in LEAN workflow and Quality Control processes to increase efficiencies. Warehouse Staff will also train in distribution process improvements.

### **Productive Laboratory**

Productive Lab (PL) will be offered to five newly hired Warehouse Staff. Training will include hands-on Laminate Panel manufacturing equipment, Panel saws, and Panel fabrication machine. Trainees will complete related classroom training prior to PL. Trainers will be subject matter experts dedicated specifically to PL training. Trainers will monitor trainee progress and ensure trainees are meeting proper safety and production standards.

Training will be conducted in small groups to maximize efficiency since the machine requires two or three workers to operate. This will also maximize the trainer's availability to trainees. The trainer-to-trainee ratio will not exceed 1:3, with each trainee receiving not more than seven hours of PL.

### **SET/HUA**

Under Special Employment Training (SET), the employer is not required to demonstrate out-of-state competition. To qualify under SET, trainees must be earning at least the statewide average hourly wage of \$28.37 at the end of retention.

However, trainees in Job Numbers 1 & 3 work in Fresno County, a High Unemployment Area (HUA) with unemployment exceeding the state average by 25%. Trainees in an HUA qualify for the ETP Standard Minimum Wage rather than the Statewide Average Hourly Wage. Further, the Panel may modify the ETP Minimum Wage for these trainees by up to 25% if post-retention wages exceed the start-of-training wages.

Job Number 1 trainees will qualify at the ETP Standard Minimum Wage and will not require a wage modification. However, McMurray is requesting and staff recommends a wage modification for Job Number 3 (from \$12.77 per hour to \$10.00 per hour) for 10 newly hired trainees.

### **Union Support**

The General Teamsters Union Local 431 who represents the Company's Warehouse Staff supports this proposal.

### **RECOMMENDATION**

Staff recommends approval of this proposal.

### **PRIOR PROJECTS**

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

Agreement No.	Location (City)	Term	Approved Amount	Payment Earned \$ %
ET14-0378	Fresno, Sacramento	05/01/2014 – 04/30/2016	\$91,650	\$91,650 (100%)
ET13-0114	Fresno, Sacramento	08/14/2012– 12/31/2013	\$49,088	\$49,088 (100%)

**Exhibit B: Menu Curriculum**

**Class/Lab Hours**

8-60

Trainees may receive any of the following:

**BUSINESS SKILLS**

- Contract Negotiation
- Advanced Customer Service Skills
- Advanced Sales Training
- Advanced Accounting and Credit Risk Management
- Effective Communication
- Strategic Planning

**COMPUTER SKILLS**

- Advanced Eclipse Software System
- iSolved Payroll Software
- Microsoft Office Suite
- Web Portal Design and Development

**CONTINUOUS IMPROVEMENT**

- LEAN Workflow Processes
- Problem Solving Techniques
- Advanced Leadership Training
- Teambuilding
- World Class Distribution Practices

**MANUFACTURING SKILLS**

- Laminate Panel Manufacturing Equipment and Processes
- Advanced Materials Handling Training
- Chemical Handling and Disposal
- Safety Training

**PL Hours**

0-7

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

- Laminate Panel Equipment Operation
- Panel Saw Operation

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. PL is capped at 7 hours per-trainee.

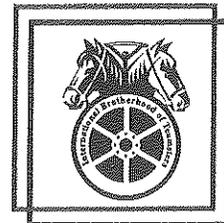
# GENERAL TEAMSTERS UNION LOCAL NO. 431

Packinghouse Employees, Warehousemen, Drivers and Helpers, Dried Fruit and Nut Packers and Dehydrators;  
Fresno and Madera Counties, California

Affiliated with the International Brotherhood of Teamsters

President, Peter Núñez • Secretary-Treasurer, Lennie Wells • Vice-President, Fred Willshaw

Recording-Secretary, Chris Garlick • Trustees, Cliff Amende, Rod Hollett & Steve Sharp



May 5, 2016

Executive Director  
Employment Training Panel  
1100 J Street, 4<sup>th</sup> Floor  
Sacramento CA 95814

Dear Sirs,

The International Brotherhood of Teamsters Union Local No 431 supports the ETP Training Program at Charles McMurray Company. We represent the members employed at Charles McMurray Company located in Fresno, California. The program will provide our members with skills needed to meet operational demands which in turn will provide a more secure work environment for the future.

If you have any questions, please do not hesitate to contact me at (559) 486-5410.

Thank you.

Sincerely,

A handwritten signature in cursive script that reads "Lennie Wells".

Lennie Wells  
Secretary-Treasurer  
General Teamsters Union Local No 431

LW/ms