

DELEGATION ORDER



Training Proposal for:

The Coca-Cola Company

Agreement Number: ET17-0151

Approval Date: August 4, 2016

ETP Regional Office: North Hollywood

Analyst: M. Reeves

PROJECT PROFILE

Contract Attributes:	Retrainee Priority Rate	Industry Sector(s):	Manufacturing Green Technology Priority Industry: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Counties Served:	Alameda, Contra Costa, Fresno, Los Angeles, Mendocino, Monterey, Orange, Riverside, Sacramento, San Bernardino, San Diego, San Joaquin, Santa Clara, Shasta, Solano, Ventura, Yuba	Repeat Contractor:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Union(s):	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No International Association of Machinists and Aerospace Workers, Local No. 1186, Teamsters Local No. 683		
Number of Employees in:	CA: 8,000	U.S.:72,000	Worldwide: 700,000
<u>Turnover Rate:</u>	14%		
<u>Managers/Supervisors:</u> (% of total trainees)	12%		

FUNDING DETAIL

Program Costs	-	(Substantial Contribution)	(High Earner Reduction)	=	Total ETP Funding
\$72,900		\$2,970 30%	\$0		\$69,930

In-Kind Contribution:	100% of Total ETP Funding Required	\$89,100
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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 Priority Rate	Business Skills, Commercial Skills, Computer Skills, Continuous Imp., HazMat, Mgmt. Skills, PL-Comm Skills	70	8-200	0	\$900	\$21.44
				Weighted Avg: 50			
2	Retrainee Priority Rate	Business Skills, Commercial Skills, Computer Skills, Continuous Imp., HazMat, Mgmt. Skills, PL-Comm Skills	11	8-200	0	\$630*	\$21.44
				Weighted Avg: 50			

*Reflects Substantial Contribution

Minimum Wage by County: \$17.02 per hour for Alameda, Contra Costa, and Santa Clara counties; \$16.51 per hour for Orange County; \$16.48 per hour for Los Angeles County; \$16.46 per hour for San Diego County; \$16.10 per hour for Sacramento County, and \$15.60 per hour for Fresno, Mendocino, Monterey, Riverside, San Bernardino, San Joaquin, Shasta, Solano, Ventura, and Yuba 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

Although employer provides health benefits, they are not being used to meet Post-Retention Wage.

Wage Range by Occupation		
Occupation Titles	Wage Range	Estimated # of Trainees
Fleet Mechanic/Fleet Mechanic Supervisor		81

INTRODUCTION

Founded in 1886, The Coca-Cola Company (Coca-Cola) (www.coca-cola.com) is a producer and distributor of nonalcoholic beverages. In addition to its traditional carbonated soft drinks, Coca-Cola’s product line also includes juices, still and sparkling waters, isotonic, and teas. The Company qualifies for standard retraining under the out-of-state competition provisions as a manufacturer and is eligible for priority industry reimbursement.

Union Support

The workers targeted for this program are represented by two collective bargaining units: International Association of Machinists and Aerospace Workers, Local 1186 and Teamsters, Local 683. These unions have provided letters of support for the training of their respective members.

PROJECT DETAILS

This is Coca-Cola's fifth proposal in the last five years. The four previous proposals focused on training for the production side of the Company. Three of the four proposals were focused on training only at the Downey location. Training outlined in this proposal will target only Coca-Cola's Fleet Mechanics located statewide. These employees are responsible for the maintenance and repair of the Company's assorted fleet of vehicles and material handling equipment. Training will cover vehicle diagnostics, brake systems, parts management, cost estimating, order tracking, and shop equipment skills.

This training will help the Company implement process improvements for productivity, service quality, and overall efficiency. Training will take place at the following Coca-Cola locations: Benicia, City of Industry, Coachella, Downey, Fresno, Los Angeles, Marysville, Oceanside, Orange, Rancho Cucamonga, Redding, Sacramento, Salinas, San Diego, San Jose, San Leandro, San Ramon, Stockton, Sylmar, Torrance, Ukiah, Union City, and Ventura. Training will be delivered by a combination of in-house subject matter experts and outside training vendors to be identified during the contract term.

Training Plan

Business Skills (10%) – Training will be offered to all trainees. Training will focus on vehicle/equipment inventory control, communication skills, budgeting/cost control, and negotiation skills. Trainees will learn how to make better business decisions and manage resources with greater efficiency.

Commercial Skills (60%) – Training will be offered to all trainees. Training will cover fleet operations and material handling skills. Areas of emphasis will include air brake training, hydraulics, electrical systems, hybrid technology, and manufacture-specific equipment skills.

Computer Skills (10%) – Training will be offered to all trainees. Training will help workers become more proficient with business software solutions in the areas of resource planning, inventory control, budgeting, purchase order tracking, and shipping/distribution.

Continuous Improvement (10%) – Training will be offered to all trainees. Training will focus on process improvements and problem solving methodologies that enhance productivity through Lean principles, strategic planning, and Total Quality Management.

Hazardous Materials (5%) – Training will be offered to all trainees. Training will cover the proper handling of hazardous materials specific to automotive and machine shops.

Management Skills (5%) - Training will be offered to Fleet Mechanic Supervisors. Trainees will be equipped with project management, communication, motivation, and conflict management skills necessary to become more effective leaders.

Productive Laboratory

Productive Laboratory (PL) trainees may produce goods for profit as part of the training in the courses identified under the Curriculum. According to company representatives, PL is the most effective way for Fleet Mechanics to hone the skills needed to maintain/repair Coca-Cola's assorted inventory of vehicles and machinery. PL will allow these workers to achieve the competencies needed to perform their jobs with the highest level of safety and efficiency.

The proposed PL training will involve the use of vehicle maintenance equipment such as engine diagnostics tools, alternative fuel technology, testing equipment, and automotive/machine shop tools. Training will be provided by subject matter experts (managers/supervisors and leads). Training staff will primarily consist of managers with several years of experience in fleet operations. The Fleet Mechanic supervisor trainees included in this proposal will be required to successfully complete all requisite course material prior to providing any subsequent instruction. The instructors will be dedicated to training delivery during all hours of training with a trainer-to-trainee ratio that will not exceed 1:1. Training will be capped at 40 hours per trainee.

Substantial Contribution

Coca-Cola is a repeat contractor with payment earned in excess of \$250,000 and a former Substantial Contribution at the 15% level, at the Downey facility, within the past five years. Accordingly, reimbursement for trainees at this facility (Job Number 2) will be reduced by 30% to reflect the Company's \$2,970 Substantial Contribution to the cost of training.

Commitment to Training

ETP funds will not displace the existing financial commitment to training. The Company spends approximately \$130,000 annually on fleet operations training in California. Training includes new-hire orientation training, original equipment manufacturer training, commercial driver's license requirements, and computer skills training. Safety training is, and will continue to be, provided in accordance with all pertinent requirements under state and federal law.

➤ Training Infrastructure

Coca-Cola's Southern California Market Unit Fleet Manager and Area Supervisors will oversee project administration, tracking, and documentation. In addition, supervisors and leads at each participating location will be tasked with ensuring that training records adhere to ETP requirements.

RECOMMENDATION

Staff recommends approval of this proposal.

ACTIVE PROJECTS

The following table summarizes performance by Coca-Cola under an active ETP Agreement:

Agreement No.	Approved Amount	Term	No. Trainees (Estimated)	No. Completed Training	No. Retained
ET16-0338	\$360,880	02/01/2016– 01/31/2018	415	0	0

This Agreement is being administered on the Company's production side of the house. Based on ETP Online Training Systems, there are 515 trainees enrolled with 1,763 reimbursable hours that have been delivered (approximately \$22,214 or 6% of approved amount). Training is on-going with scheduled classes continuing through October 2017.

PRIOR PROJECTS

The following table summarizes performances by Coca-Cola under ETP Agreements that were completed within the last five years:

Agreement No.	Location (City)	Term	Approved Amount	Payment Earned \$ %
*ET14-0207	Downey, Los Angeles, San Leandro, Anaheim, Ontario, San Diego	10/28/2013–10/27/2015	\$1,278,200	\$525,247 (41%)
ET12-0163	Downey	11/28/2011–11/27/2013	\$497,100	\$352,509 (71%)
ET09-0543	Downey	06/09/2009–06/08/2011	\$194,400	\$146,289 (75%)

***ET14-0207**: This project included multiple Coca-Cola production plants. Low performance was due primarily to higher management changes at several participating locations which affected the scheduling of training.

The proposed training targets Coca-Cola's Fleet Mechanics only and will be handled by a completely different administrative team on the Fleet Operations side of the company. No additional occupations from current and/or prior agreements are included in this proposal. The Fleet Operations team has a systematic tracking system in place to ensure project success. The Market Unit Fleet Manager and four Area Supervisors will be in charge of overall planning, coordination, and administration. In addition, each training location will have a designated lead person responsible for scheduling and documentation. Lead personnel at each location will transmit training records to their respective Area Supervisors for centralized control. The Market Unit Fleet Manager and a Project Coordinator will then conduct monthly audits of the consolidated training files to gauge performance and maintain project assurance.

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

- ✚ Product Knowledge
- ✚ Inventory Control
- ✚ Negotiation Skills
- ✚ Scheduling, Budgeting & Cost Control
- ✚ Communication Skills
- ✚ Decision Making Skills

COMMERCIAL SKILLS

- ✚ Project Management
- ✚ Time Management
- ✚ Air Brake Training
- ✚ A/C
- ✚ Hydraulic
- ✚ Fleet Operations
- ✚ Parts
- ✚ Equipment Operation
- ✚ Inventory Control
- ✚ PM Practices
- ✚ Electrical Systems
- ✚ Welding Skills
- ✚ Hybrid Technology
- ✚ Crown, Material Handling Training
- ✚ Eaton
- ✚ Liftgate Training, Waltco, Maxon, Leyman
- ✚ Opacity

COMPUTER SKILLS

- ✚ Advanced Software Systems
- ✚ Budgeting
- ✚ Manufacturing Resource Planning
- ✚ Shipping Solutions and Related Distribution Software
- ✚ Inventory Control
- ✚ Purchase Order Tracking

CONTINUOUS IMPROVEMENT

- ✚ Problem Solving
- ✚ Total Quality Management
- ✚ Decision Making
- ✚ Strategic Planning
- ✚ Project Management
- ✚ Monitoring
- ✚ Supply Chain Elements
- ✚ Lean Manufacturing
- ✚ 5S
- ✚ Six Sigma
- ✚ Troubleshooting

HAZARDOUS MATERIALS

- ✚ HHM (Household Hazardous Materials)
- ✚ Bloodborne Pathogens

MANAGEMENT SKILLS (For Managers/Supervisors only)

- ✚ Supervisor/Lead Role
- ✚ Coaching/Motivating
- ✚ Managing a High Performance Workplace
- ✚ Project Management
- ✚ Conflict Management
- ✚ Leadership
- ✚ Change Management
- ✚ Planning & Controlling
- ✚ Communication Skills

PL Hours

0 - 40

COMMERCIAL SKILLS (limited ratio 1:1)

- ✚ Diagnostic Operations/Practices/Techniques
- ✚ Forklift Equipment Maintenance Skills
- ✚ Maintenance on Hybrid
- ✚ Maintenance on CNG
- ✚ A/C Training
- ✚ Brake Training
- ✚ Welding Skills
- ✚ Shop Equipment Training
- ✚ Evaluation Techniques
- ✚ Quality Training
- ✚ ASE (Automotive Service Excellence)

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.



IAMAW DISTRICT LODGE 947

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April 29, 2016

Robert Holman
Coca-Cola Refreshments USA, Inc. – Rancho
10670 6th Street
Rancho Cucamonga, CA 91792

Dear Mr. Holman:

Machinists Union Local No. 1186 fully supports the Employment Training Program offered by Coca-Cola Refreshments USA, Inc. for its members at all facilities under the jurisdiction of Local 1186 employed by Coca-Cola Refreshments USA, Inc.

Sincerely,

James E. Watson

James E. Watson
Assistant Directing Business Representative
IAMAW District Lodge 947

JW/dp
Opeiu 537
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AFFILIATED WITH
THE INTERNATIONAL BROTHERHOOD OF TEAMSTERS
Local Union No. 683

Salesdrivers, Helpers, and Dairy Employees
San Diego and Vicinity, California



Phone:(619) 232-7903

1333 E. Madison Ave., El Cajon, CA 92021

Fax: (629) 232-8077

STEVE V. LYONS
President

TODD C. MENDEZ
Secretary/Treasurer



April 27, 2016

Ron O'Bard
Labor Relations Consultant
Coca-Cola Refreshments
700 W. Grove Ave. Orange, CA 92865

Dear Ron:

Teamsters Local 683 fully supports the Employment Training Program Offered by Coca – Cola Refreshments USA, Inc. for its members at all the facilities under the jurisdiction of Local 683 employed by Coca – Cola refreshments USA, Inc.

Sincerely,

A handwritten signature in black ink that reads "T.C. Mendez".

Todd Mendez
Secretary – Treasurer