



**Training Proposal for:  
Color-Box, LLC  
Agreement Number: ET15-0144**

**Panel Meeting of:** June 27, 2014

**ETP Regional Office:** Sacramento

**Analyst:** W. Atkinson

**PROJECT PROFILE**

Contract Attributes:	Retrainee Priority Rate Job Creation Initiative HUA	Industry Sector(s):	Manufacturing  Priority Industry: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Counties Served:	Madera	Repeat Contractor:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Union(s):	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
Number of Employees in:	CA: 600	U.S.: 7,000	Worldwide: 10,000
<u>Turnover Rate:</u>	5%		
<u>Managers/Supervisors:</u> (% of total trainees)	5%		

**FUNDING DETAIL**

Program Costs	-	(Substantial Contribution)	(High Earner Reduction)	=	<b>Total ETP Funding</b>
\$65,940		\$0	\$0		\$65,940

In-Kind Contribution:	100% of Total ETP Funding Required	\$85,000
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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 Priority Rate	Business Skills, Computer Skills, Cont. Imp., HazMat, Mfg Skills, PL-Mfg Skills	74	8-200	0	\$810	\$14.90
				Weighted Avg: 45			
2	Job Creation Retrainee Priority Rate	Mfg Skills, PL-Mfg Skills	3	8-200	0	\$2,000	\$12.75
				Weighted Avg: 100			

**Minimum Wage by County:** Job Number 1: \$14.90 for Madera County.

Job Number 2 (Job Creation): \$12.19 for Madera County.

**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 \$1.82 per hour may be used to meet the Post-Retention Wage for Job Number 1 only.

Wage Range by Occupation		
Occupation Titles	Wage Range	Estimated # of Trainees
<b>JOB NUMBER 1 – INCUMBENT TRAINEES</b>		
Administrative Staff		6
Customer Service Staff		6
Maintenance Staff		5
Production Staff		53
Supervisors		4
<b>JOB NUMBER 2 – JOB CREATION TRAINEES</b>		
Maintenance Staff		1
Production Staff		2

**INTRODUCTION**

Color-Box, LLC (Color-Box), a wholly owned subsidiary of Georgia Pacific, manufactures litho-laminate graphic containers consisting of up to seven colors for product container packaging. Primary customers include the food and beverage industry.

The Color-Box Madera plant is implementing new initiatives. First, the Company is making a significant investment in new and upgraded equipment, (approximately \$3.6 million) to integrate into the production line. This investment may accommodate a new shift to increase capacity while maintaining quality and efficiency. Second, Color-Box is beginning a Lean Manufacturing

program. The initial program for frontline workers will include 5S, Quality Control, and Root Cause Analysis. The Company is also implementing a new software system, OM Partners, intended to optimize production capacity and efficiency.

### **Retrainee - Job Creation**

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.

In 2014, company sales increased by 40%, and Color-Box anticipates continued growth with the execution of its new initiatives. As a result, Color-Box has committed to hiring three new employees (Job Number 2). Trainees must be hired within the three-month period prior to Panel approval or during the term of contract.

## **PROJECT DETAILS**

### **Training Plan**

Training will be delivered in a classroom/laboratory and productive laboratory setting, to begin early in July 2014. Trainees will receive the following types of training:

**Business Skills (5%)** - Training will be offered to Administrative and Customer Service Staff. Training will focus on customer / vendor relations to improve communications, problem solving, and account development skills. Training is intended to provide employees with the skills to develop long term relationships based on excellent service.

**Computer Skills (10%)** - Training will be offered to Administrative Staff and Customer Service Staff. Topics include OM Partners software to optimize production capacity and efficiency, track inventory, and provide production, inventory, and scheduling reports. Trainees will also receive advanced Excel training in increase proficiency.

**Continuous Improvement (30%)** - Training will be offered to all occupations. Trainees will receive topics such as Blue Diamond Quality Training, Lean Manufacturing, 5S, Root Cause Analysis, and Team Building to improve product quality, implement a Lean program, and create a productive team environment.

**Hazardous Materials (5%)** - Training will be offered to Supervisors, Production and Maintenance Staff. Topics will cover Chemical Handling and Disposal, and Hazard Communication. Training will focus on safe handling, storage, and disposal of various chemicals used at Color-Box.

**Manufacturing Skills (40%)** - Training will be offered to Maintenance and Production Staff. Workers will be trained in areas such as PLC Training, Crane and Hoist Training, Advanced Forklift Training, Production Waste Management, Waste Water Management, Production Equipment Safe Operation and Maintenance, Confined Space and Printing Graphics. Training will focus on reducing waste, increasing efficiencies and production capacity.

### **Productive Laboratory – Manufacturing Skills (10%)**

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.

PL training will be provided to 15 incumbent and 3 newly hired Production and Maintenance Staff. The PL hours will be capped at 12 hours with a maximum ratio of 1:3.

Production Staff will receive PL training on Bobst Expercut Die Cutter, Alliance Pallet Inserter System, Nordson Hot Melt Glue System, and PCA Score Bend Tester. Trainees will be taught set-up requirements, operation, feeding, and changeover of set-up to new product requirements. Maintenance Staff will be taught repair, cleaning, and tear down/rebuild.

### **Commitment to Training**

The Company's annual training budget is \$30,000. Training previously provided included company orientation, basic safety, and on the job orientation delivered in a class/lab setting.

Color-Box 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.

### **High Unemployment Area**

The trainees in Job Numbers 1 and 2 work in a High Unemployment Area, with unemployment exceeding the state average by at least 25%. However, the Company is not requesting a wage modification.

### **RECOMMENDATION**

Staff recommends approval of this proposal.

### **DEVELOPMENT SERVICES**

Strategic Business Solutions in Visalia assisted with development for a flat fee of \$4,615.

### **ADMINISTRATIVE SERVICES**

Strategic Business Solutions will also perform administrative services for a fee not to exceed 13% of payment earned.

### **TRAINING VENDORS**

To Be Determined

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**Exhibit B: Menu Curriculum****Class/Lab Hours**

8 - 200          Trainees may receive any of the following:

**BUSINESS SKILLS**

- Customer/ Vendor Relations

**COMPUTER SKILLS**

- OM Partners Software Training
- Advanced Microsoft Excel Training

**CONTINUOUS IMPROVEMENT**

- Blue Diamond Quality Training
- LEAN Manufacturing
- 5S Training
- Root Cause Analysts
- Team Building

**HAZADROUS MATERIALS**

- Chemical Handling and Disposal
- Hazard Communication

**MANUFACTURING SKILLS**

- PLC Training
- Crane and Hoist Training
- Advanced Forklift Training
- Production Waste Management
- Waste Water Management
- Production Equipment Safe Operation and Maintenance
  - Bobst Expert Die Cutter
  - Alliance Pallet Inserter System
  - Nordson Hot Melt Glue System
  - PCA Score Bend Tester
- Confined Space
- Printing Graphics

Safety Training cannot exceed 10% of total training hours per-trainee

**Productive Lab Hours**

8 – 12

**MANUFACTURING SKILLS**

- Production Equipment Safe Operations and Maintenance
  - Bobst Expert Die Cutter
  - Alliance Pallet Inserter System
  - Nordson Hot Melt Glue System
  - PCA Score Bend Tester
  - Set-Up Requirements, Feeding, and Changeover of Set-Up to New Product Requirements
  - Repair, Cleaning, and Tear Down/Rebuild

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