



**Training Proposal for:
Cottage Bakery, Inc.**

Agreement Number: ET17-0235

Panel Meeting of: September 23, 2016

ETP Regional Office: Sacramento

Analyst: D. Jordan

PROJECT PROFILE

Contract Attributes:	Priority Rate HUA Retrainee	Industry Sector(s):	Manufacturing Priority Industry: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Counties Served:	San Joaquin	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: 1,000	U.S.: 13,000	Worldwide: 16,000
<u>Turnover Rate:</u>	16%		
<u>Managers/Supervisors:</u> (% of total trainees)	6%		

FUNDING DETAIL

Program Costs	-	(Substantial Contribution)	(High Earner Reduction)	=	Total ETP Funding
\$255,420		\$0	\$0		\$255,420

In-Kind Contribution:	100% of Total ETP Funding Required	\$308,047
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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, Mfg Skills, PL-Mfg Skills	430	8 - 200	0	\$594	\$15.60
				Weighted Avg: 33			

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: \$15.60 per hour in San Joaquin 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 \$3.60 per hour may be used to meet the Post-Retention Wage for trainees in Job Number 1.

Wage Range by Occupation

Occupation Titles	Wage Range	Estimated # of Trainees
Safety/Project Coordinators		13
Fabricators		3
Financial Analyst / HR Generalist		3
Line Workers		150
Machine Operator		80
Inventory/Quality Specialists		7
Team Leads		32
Technicians		118
Managers		10
Supervisors		14

INTRODUCTION

Founded in 1986 and headquartered in Lodi, Cottage Bakery, Inc. (Cottage Bakery), is a subsidiary of TreeHouse Private Brands (TPB). Cottage Bakery was formally a wholly owned subsidiary of ConAgra Foods in 2016. TreeHouse Foods, Inc. acquired the company. Cottage Bakery manufactures cakes, donuts, artisan breads, bagels and danishes. Their customers include Safeway, Costco, Wal-Mart, and WinCo. Training will take place at the Company's location in Lodi.

PROJECT DETAILS

This is Cottage Bakery's fourth Agreement in the last five years. Training in the previous Agreement focused on Continuous Improvement Skills training. Since being purchased by TPB, Cottage Bakery must train workers in TPB's Performance System's Continuous Skills Development and Autonomous Maintenance Development Standards. Cottage Bakery is scheduled to purchase new equipment throughout the term of the contract. Oil System, Check Weighers for Production Lines, Danish Counter, and Metal Detectors/Conveyors for the Frozen Dough Department will be installed in November and December of 2016. Cottage Bakery will focus their training on the new equipment, providing workers the skills necessary to reduce deficiencies.

Training Plan

Training will be provided by in-house subject matter experts.

Business Skills (12%): Training will be offered to all occupations. Trainees will receive training to improve internal communication, leadership, decision making, and problem solving skills.

Computer Skills (11%): Training will be offered to all occupations. Trainees will receive training on intermediate and advanced Microsoft Office.

Manufacturing Skills (67%): Training will be offered to all occupations except financial analyst and HR Generalist. Training will be in the safe operation, controls, and maintenance of production equipment. Trainees will also receive training on new equipment.

Productive Laboratory (10%):

Trainees may produce goods for profit as part of the PL training in the courses identified under the Curriculum. The instructor must be dedicated to training delivery during all hours of training. PL training will allow Supervisors/Leads to demonstrate how to set-up and adjust the Baking line. Trainees will learn to disassemble and rebuild parts of equipment, which cannot be done in a simulated environment. Training will also include techniques to form or finish a product. During PL training, production may be stopped (when teaching the trainees how to set up or dismantle a line) or it will be slowed down by the instructor for safety reasons.

Trainees are only allowed to operate a piece of equipment when fully trained and certified. Training on each piece of equipment takes place for a pre-determined time period under constant direction of a certified trainer. Each trainee is given a checklist of tasks to complete and standard operating procedures to follow. The trainer demonstrates each activity and observes the trainee to ensure each task is mastered before certification is earned. Trainees must pass with 80% or greater score to be certified. The training is designed to supplement Class/Lab training. Cottage Bakery has requested a 1:2 trainer-to-trainee ratio because employees routinely work on the machinery in small groups of 2. This will allow the trainer to get trainees back to their work assignments sooner, while trainees can also learn from each other during training. PL training hours for this proposal are capped at 60 hours per trainee.

High Unemployment Area

The 430 trainees in Job Number 1 work in a High Unemployment Area (HUA), a region with unemployment exceeding the state average by at least 25%. The Company's locations in San Joaquin County qualify for HUA status under these standards. However, Cottage Bakery is not requesting a wage modification.

Commitment to Training

Cottage Bakery's annual training budget is approximately \$280,000. Training in the past included food safety, environmental health, and soft skills training. 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 HR Manager will administer the ETP Agreement. A Sr. HR Generalist is assigned the duties of data entry into the ETP systems and will help the HR Generalist schedule training. In addition, four other staff members will provide support including making sure rosters are completed correctly, rosters are collected, and training documents are maintained.

Impact/Outcome

Training will allow staff to identify skill gaps that exists, identify issues and address them early.

LMS

Staff has reviewed and approved Cottage Bakery's Learning Management System for recordkeeping.

RECOMMENDATION

Staff recommends approval of this proposal.

PRIOR PROJECTS

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

Agreement No.	Location (City)	Term	Approved Amount	Payment Earned \$ %
ET14-0291	Lodi	02/03/14 - 02/02/16	\$56,700	\$56,700 (100%)
*ET11-0142	Lodi	12/20/10 - 12/19/12	\$170,100	\$58,129 (34%)

*Cottage Bakery had low performance during their first contract with ETP because the Company did not have a structured training plan in place. There was also only one person managing the project, which proved problematic when that person left their position. However, in Cottage Bakery's second agreement, an organized administrative staff and process was established resulting in successful performance. The use of LMS during their second contract helped them keep better track of training.

DEVELOPMENT SERVICES

N/A

ADMINISTRATIVE SERVICES

N/A

TRAINING VENDORS

N/A

Exhibit B: Menu Curriculum

Class/Lab Hours

8-200 Trainees may receive any of the following:

BUSINESS SKILLS

- Leadership
- Professional/Business Communication
- Decision Making
- Problem Solving

COMPUTER SKILLS

- Microsoft Office (Intermediate/Advanced)

MANUFACTURING SKILLS

- Bagel Skill Equipment
- Bread Skill Equipment
- Cake Skill Equipment
- Danish Skill Equipment
- Donut Skill Equipment
- Food Safety Training (non FDA mandated)
- Lamination Skill
- Logistics Skill
- Maintenance Skill
- Quality Assurance Skill
- Safety Training (non OSHA mandated)
- Sanitation Skill

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

Productive Lab Hours

0-60

Manufacturing Skills (1:2 Ratio)

- Autonomous Maintenance
- Lean Manufacturing

Note: Reimbursement for retraining is capped at 200 total training hours per trainee, regardless of the method of delivery. PL is capped at 60 hours per-trainee.