DELEGATION ORDER

Training Proposal for:

DENSO Wireless Systems America, Inc.

Agreement Number: ET16-0256

Approval Date: November 12, 2015

ETP Regional Office: San Diego

Analyst: S. Godin

PROJECT PROFILE

<table>
<thead>
<tr>
<th>Contract Attributes:</th>
<th>Priority Rate Retraine</th>
<th>Industry Sector(s):</th>
<th>Manufacturing</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>Priority Industry: ☑ Yes ☐ No</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Counties Served:</th>
<th>San Diego</th>
</tr>
</thead>
</table>

| Repeat Contractor: | ☑ Yes ☐ No |

| Union(s): | ☐ Yes ☑ No |

<table>
<thead>
<tr>
<th>Number of Employees in:</th>
<th>CA: 177</th>
<th>U.S.: 17,000</th>
<th>Worldwide: 146,000</th>
</tr>
</thead>
</table>

| Turnover Rate: | 9% |

| Managers/Supervisors: (% of total trainees) | 12% |

FUNDING DETAIL

<table>
<thead>
<tr>
<th>Program Costs</th>
<th>(Substantial Contribution)</th>
<th>(High Earner Reduction)</th>
<th>= Total ETP Funding</th>
</tr>
</thead>
<tbody>
<tr>
<td>$79,560</td>
<td>$0</td>
<td>$0</td>
<td>$79,560</td>
</tr>
</tbody>
</table>

| In-Kind Contribution: | 100% of Total ETP Funding Required | $145,121 |

TRAINING PLAN TABLE

<table>
<thead>
<tr>
<th>Job No.</th>
<th>Job Description</th>
<th>Type of Training</th>
<th>Estimated No. of Trainees</th>
<th>Range of Hours Class / Lab</th>
<th>Average Cost per Trainee</th>
<th>Post-Retention Wage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Retraineepriority rate</td>
<td>Business Skills, Computer Skills, Continuous, Improvement, Manufacturing Skills, OSHA 10/30</td>
<td>65</td>
<td>8-200</td>
<td>0</td>
<td>$1,224</td>
</tr>
</tbody>
</table>

Minimum Wage by County: San Diego: $15.93/hr.
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 $1.69 per hour may be used to meet the Post-Retention Wage.

Wage Range by Occupation

<table>
<thead>
<tr>
<th>Occupation Titles</th>
<th>Wage Range</th>
<th>Estimated # of Trainees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Administrative Support</td>
<td></td>
<td>4</td>
</tr>
<tr>
<td>Engineering Staff, QA Staff</td>
<td></td>
<td>19</td>
</tr>
<tr>
<td>Technician, Equipment Maintenance Staff</td>
<td></td>
<td>10</td>
</tr>
<tr>
<td>Production Staff</td>
<td></td>
<td>19</td>
</tr>
<tr>
<td>Warehouse/Distribution Staff</td>
<td></td>
<td>5</td>
</tr>
<tr>
<td>Supervisor/Manager</td>
<td></td>
<td>8</td>
</tr>
</tbody>
</table>

INTRODUCTION

Located in Vista, DENSO Wireless Systems America, Inc. (DWAM) (www.denso-dwam.com) is a wholly-owned subsidiary of DENSO International America, Inc., whose global parent corporation is DENSO Corporation. DWAM designs, manufactures, and supplies integrated, in-vehicle wireless cell phone chargers and other automotive electronic parts for original equipment and aftermarket manufacturers. Major customers include Toyota, General Motors and Honda. The Company currently employs 177 full time workers. DWAM meets out of state competition standards as an industrially classified manufacturer and is eligible for priority reimbursement.

PROJECT DETAILS

This will be DWAM’s third ETP project within the last five years. ET09-0517 focused on Continuous Improvement skills. Trainees developed written standard operating instructions for the production of audiovisual navigation systems (being manufactured at the time) and the Company began its journey to a high performance workplace. Employees were introduced to lean manufacturing concepts which resulted in efficiency gains, reduced production times, and waste
elimination. ET13-0309 built upon the lean concepts and skill sets acquired in the first Agreement, concentrating on delivery of manufacturing skills for the DWAM’s audio visual navigation (AVN) system, a second generation in-vehicle GPS navigation system. Production of the AVN system was phased out during this project; however, production of DWAM’s In-Vehicle Wireless Chargers and Data Communication Modules began during the latter part of this Agreement.

In addition to in-vehicle wireless chargers and data communication modules, DWAM recently began manufacturing Video Processing Modules (VPM) for General Motors, a product that provides car driver monitoring safety features such as 360 degree and panorama views, cross-traffic views and night vision pedestrian detection. Training under the proposed Agreement will provide skills needed to manufacture the VPM equipment and build upon the skill sets acquired in the previous projects.

DWAM has been directed by its parent company to increase its corporate profitability by adding a research and development department to its facility. This requires increasing the skill sets of all employees involved with research and design at the Company. To support this effort, DWAM has purchased several robotic machines and plans to provide extensive training on the programming, set-up, and operation of the new equipment during the proposed Agreement. The robotic machinery will increase production and reduce cycle time and will be used to manufacture new products currently under development at DWAM.

Commitment to Training

DWAM reports that it spends approximately $25,000 on training at its Vista location. The Company provides the following training: sexual harassment and violence in the workplace prevention, new hire orientation, basic Microsoft Office Suite application skills, DWAM values, and basic safety 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

DWAM’s training department will administer the ETP funded Agreement. The Company expects to start training within 10 days of approval. The ETP Agreement will be managed by the same DWAM staff that handled prior ETP Contracts.

Impact/Outcome

The proposed Agreement will offer training topics to new and incumbent employees and expand learning opportunities for those who participated in previous projects. Trainees from prior projects will not receive duplicate training.

TRAINING PLAN

**Business Skills (10%)**: Training will be offered to all occupations and will provide trainees with critical skill sets in communication, product knowledge, customer service, time management and presentation skills. Competency in these topics will empower frontline workers to solve customer problems and identify how daily activities and decisions affect customer’s perception and satisfaction.

**Computer Skills (30%)**: Engineering Staff, technician, QA Staff, and selected Managers will receive training on multiple software programs that support the research and design of a variety of new products currently in research and development.
Manufacturing Skills (30%): Engineering Staff, Technician, QA Staff and Production Staff will receive training on the set-up, programming and operation of the new robotics equipment. Production Staff and Supervisors who were not trained in previous projects will receive training in Good Manufacturing Practices, Materials and Supply Chain Management, and Assembly and Packaging.

Continuous Improvement (25%): Training will be offered to all occupations. Skill sets will focus on developing leaders and strategic thinkers within the organization, coaching and mentoring, problem solving, root cause analysis, and advanced lean manufacturing techniques.

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 manufacturing, and also construction work. 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.

RECOMMENDATION

Staff recommends approval of this proposal.

PRIOR PROJECTS

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

<table>
<thead>
<tr>
<th>Agreement No.</th>
<th>Location (City)</th>
<th>Term</th>
<th>Approved Amount</th>
<th>Payment Earned $</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>ET09-0517</td>
<td>Vista</td>
<td>4/06/09 - 4/05/11</td>
<td>$74,736</td>
<td>$74,736</td>
<td>(100%)</td>
</tr>
<tr>
<td>ET13-0309</td>
<td>Vista</td>
<td>3/08/13 - 3/07/15</td>
<td>$99,600</td>
<td>$73,992</td>
<td>(74%)</td>
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</tbody>
</table>

DEVELOPMENT SERVICES

N/A

ADMINISTRATIVE SERVICES

N/A

TRAINING VENDORS

All training will be delivered by in-house trainers.
Exhibit B: Menu Curriculum

Class/Lab Hours
8-200

Trainees may receive any of the following:

**BUSINESS SKILLS**
- Time Management Skills
- Organizational Skills
- Communication Skills
- Presentation Skills
- Customer Service/Satisfaction
- New Product Knowledge

**COMPUTER SKILLS**
- Computer-Assisted Design/Computer-Aided Manufacturing
- Inventor Solid Modeling Software
- Robotics Software
- Java Language, Programming and Testing Concepts
- Microsoft Certified System Engineer (MCSE)
- System Architectures
- Networking Design, Implementation, Maintenance & Security

**CONTINUOUS IMPROVEMENT**
- Core Tools (APQP, FMEA and PPAP, MSA)
- Problem Solving, Root Cause Analysis & Reporting Methods
- Just In Time Processes (JIT)
- Project Management
- Quality – ISO Techniques & Updates
- Lean Manufacturing Techniques
- Quality Improvement/Concepts
- Transitioning to Leadership
- Leaderships Skills
- Change Leadership
- Strategic Thinking and Decision Making
- Coaching/Mentoring

**MANUFACTURING SKILLS**
- Robotics: LRMATE 200ID
- Robot Program
- Robot Mechanical Maintenance
- Robot Electrical maintenance
- Robotics Advanced programing
- Good Manufacturing Practices (GMP)
- Manufacturing Control
- Production Equipment Set-Up & Operation
- Equipment Maintenance/Troubleshooting
- Production Operation Assembling and Packaging
- Supply Chain Management
- Materials Management

**OSHA 10/30 (Certified OSHA Instructor)**
- OSHA 10 (Requires Completion of 10 hours)
- OSHA 30 (Requires Completion of 30 hours)

Safety Training is capped at 10% of a trainee's total training hours

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