



**Training Proposal for:
Douglas Steel Supply, Inc.**

Small Business ≤ \$50,000

ET15-0316

Approval Date: November 18, 2014

ETP Regional Office: North Hollywood **Analyst:** E. Fuzesi

CONTRACTOR

- Type of Industry: Services
Wholesale Trade
Priority Industry: Yes No
- Number of Full-Time Employees
California: 91
Worldwide: 91
Number to be trained: 84
Owner Yes No
- Out-of-State Competition: Customers Outside CA
- Special Employment Training (SET): Yes No
- High Unemployment Area (HUA): Yes No
- Turnover Rate: 6%
- Repeat Contractor: Yes No

FUNDING

- Requested Amount: \$39,312
- In-Kind Contribution: \$34,449

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	Business Skills, Commercial Skills, Computer Skills, Cont. Impr., Literacy Skills, Mgmt Skills, Mfg. Skills, OSHA 10/30	57	8-60	0-30	\$468	\$15.97
				Weighted Avg: 18			
2	Retrainee SB <100 Priority Rate HUA	Cont. Impr., Literacy Skills, Manufact. Skills, OSHA 10	27	8-60	0-30	\$468	\$11.98
				Weighted Avg: 18			

It will be made a condition of contract that the trainees in this Job Number will never be paid less than the statewide minimum wage rate as in effect at the end of retention (Final Payment) regardless of the wage expressed in this table.

- Reimbursement Rate: Job #'s 1 and 2: \$26 SB Priority
- County(ies): Los Angeles
- Occupations to be Trained: Office Staff, Sales Staff, Shop Staff, Driver, Owner, Supervisor/Manager
- Union Representation: Yes
 No
- Health Benefits: Job #'s 1 and 2: \$3.63 per hour

SUBCONTRACTORS

- Development Services: N/A
- Administrative Services: N/A
- Training Vendors: New Horizons Computer Learning Center of Culver City has been retained to provide training for a fee of \$4,740.

OVERVIEW

Douglas Steel Supply, Inc. (DSS), founded in 1972, is a steel service center that specializes in custom sheet and coil products. DSS processes all materials in-house, using slitting, leveling and roll-forming lines for various commercial and private manufacturing industries such as precision metal stamping, computer cabinetry, electronic enclosure, home hardware, and steel office furniture manufacturing. Customers include KeyTronics, North American Pet, and Quality Fab Tech. Headquartered in Los Angeles on a 128,000 square foot property, DSS serves states west of the Rockies (including California) and Mexico. DSS is also planning to open a warehouse in Texas.

The steel industry has been impacted by the decline of the building and housing industry during the economic downturn in 2008. The decline created less need for steel service centers, especially in the Los Angeles area. Those surviving, face tighter regulations and tougher competition.

Industries have started to ensure regulatory compliance from suppliers by requiring Restriction of Hazardous Substances certifications and material declarations through online reporting and documentation, a training need, addressed under Regulatory Chemicals (Commercial Skills) and Product Knowledge (Business Skills). To meet these demands, DSS is also implementing stricter regulations and standards for higher levels of quality throughout the supply chain. DSS has been tightening its internal processes, establishing roles and clear expectations for all personnel, seeking more effective and efficient problem solving methods, while encouraging positive and creative thinking to expand business. In addition, DSS recently implemented Just-in-Time delivery.

Training Plan

This will be DSS's second ETP Agreement. In the First Agreement, the Company began to pursue an engaged, transparent, and proactive business culture fueled by prospects for growth through the Company's newly acquired ISO Certification. For this proposal, ETP training funds will allow DSS to become more efficient and to provide more responsive customer service. The Company's goal is to increase sales and profitability while maintaining excellent customer satisfaction ratings and increased market share. The Company will utilize Class/Lab and Computer-Based Training to train its workers.

Business Skills (20%) – Training will be offered to Owner, Supervisor/Manager, Sales Staff and Office Staff to improve communication and customer service, and enhance skills in marketing, selling and promoting DSS's products and services.

Commercial Skills (10%) – Training will be offered to Owners, Supervisor/Manager, Sales Staff, Office Staff and Drivers to ensure departments stay up-to-date with industry-related requirements and best business practices. Truck driving essentials will keep our drivers be informed of best ways to avoid collisions, prepare for long drives and appropriately deal with road hazards. Metallurgy training will provide sales reps with product knowledge to help provide for customers' needs. General Accounting will help management with the backgrounds of costs and profits, and enhance skills in the basic principles, concepts, and accounting practice, recording, and financial statement preparation.

Computer Skills (5%) – Training will be offered to Owner, Supervisor/Manager, Sales Staff and Office Staff to keep employees up-to-date with technological advances that can increase efficiency and productivity. Microsoft Office programs, such as Word or PowerPoint, training will provide skills needed to present information and data to customers in an attractive and accessible format. With Excel, trainees will learn the importance of empirical data and how to collect/present data in a form to make sound business decisions. This use of spreadsheets can also be utilized to track and analyze a wide range of data. Training in the Company's internal program, Genesys, will allow employees to fully utilize the inventory and accounting systems by conducting research, running specific reports, and extrapolating data needed to make cost-effective decisions.

Continuous Improvement (15%) – Training will be offered to all staff to promote a positive and engaged approach to improvement and growth. Training will teach employees to solve problems, improve processes and streamline operations. Employees will learn to discuss and implement changes and be more adaptable to change.

Literacy Skills (5%) – Training will be offered to Drivers and Shop Staff because a large portion of shop personnel speak mainly Spanish. This training will provide employees with basic English speaking and writing skills to facilitate communication between shop and office personnel. Training will allow for a more comprehensive exchange of ideas within the organization.

Management Skills (15%) – Training will be offered to Owner and Supervisor/Manager in Leadership, Project Management and Succession Planning. Training in Motivation and Coaching will aid employees in achieving a level of excellence that they may not be able to obtain without effective managers. Project Management training will arm trainees with the organizational and planning skills needed to see a project through to its success, presenting an example of effective follow-through for the rest of the company.

Manufacturing Skills (25%) – Training will be offered to Owner, Supervisor/Manager, and Shop Staff to create a work environment where employees can be more knowledgeable and versatile on multiple pieces of equipment. Advanced skills in slitting, leveling, packaging and maintenance are needed to promote consistently excellent performances and maintain safe practices. Electrical Engineering will allow DSS to save costs by utilizing in-house personnel instead of outsourcing. Lean Manufacturing.

OSHA 10/30 (5%) – Owner, Supervisor/Manager, and Shop Staff will receive the basics of occupational safety and health. Employees will learn basic practices of identifying, reducing, eliminating, and reporting hazards associated with their work. The course will highlight safety in the workplace and prepare employees to proactively approach safety issues.

OSHA 10/30 training is a series of courses “bundled” by industry sector and occupation. It consists of 10 hours of training for staff and 30 hours for supervisors. Completion of the training results in a certificate. To ensure that each trainee receives certification, ETP will only consider payment earned upon completion of the full 10-hour or 30-hour course.

High Unemployment Area

DSS is located in a High Unemployment Area (HUA), a region with unemployment exceeding the state average by at least 25%. The Company’s facility in Los Angeles County qualifies for HUA status under these standards.

➤ Wage Modification

For these trainees, the Panel may modify the ETP Minimum Wage by up to 25% if post-retention wages exceed the start-of-training wages for trainees in Job Number 2. The Company is requesting the HUA wage modification to \$12.03 per hour for Job Number 2 only.

Contract Term Limitation

Small businesses are limited to a 12-month Agreement but may request a 24-month term with justification. DSS is requesting a 24-month term. The additional 12 months will enable the Company to train at a slower pace while adequately preparing for everyday production demands.

RECOMMENDATION

Staff recommends approval of this proposal, including the post-retention wage modification.

ACTIVE PROJECTS

The following table summarizes performance by DSS under an active ETP Agreement:

Agreement No.	Approved Amount	Term	No. Trainees Enrolled	No. Completed Training	No. Retained
ET13-0259	\$98,670	12/21/12-12/20/14	88	85	TBD

DSS has provided 1,725 reimbursable training hours which amounts to \$44,850 (45%). DSS's projected low performance is due to the following factors:

- From the start of the ETP program, DSS was going through several changes within the organization. Specifically, the Company was undergoing a lawsuit that eventually created a change of ownership. As DSS managed the defense of the lawsuit and the subsequent transition, there was a lack of internal leadership and guidance related to the ETP training, much of which was due to consultant turnover of JVS, the administrative consultant of the project.
- During this time of transition, a Quality Assurance (QA) Manager was hired to support the ISO program and assume the role of ETP training coordinator. Because she was new to the ETP process, she had to take some time to become familiar with the program. Once she was familiar, she had to review the training plan and adjust it to fit the Company's new direction. Consequently, the Company did not start training until the second year of its term.

The QA Manager implemented administrative tools that helped the Company under ET13-0259. The Contract was not a success; however, the tools helped the Company deliver a large amount of training in a short amount of time. These tools helped organize the training process and simplified how trainees signed up. These tools will help the Company succeed in the proposed contract:

- Create a set schedule for department training that will provide structure and less flexibility for those who fall behind training requirements;
- Publicize training schedules and provide copies for all department heads and supervisors;
- Engage and inform employees and holding managers accountable for training their teams;
- Continue progress evaluations and leadership input.

Exhibit B: Menu Curriculum

Class/Lab Hours

8-60 Trainees may receive any of the following:

BUSINESS SKILLS

- Business Performance
- Communication Skills
- Conflict Management
- Customer Service
- Marketing
- Product Knowledge
- Project Management
- Sales

COMMERCIAL SKILLS

- Accounting
- Equipment Operations
- Internet Security
- Metallurgy
- Regulatory Chemicals
- Shipping/Delivery
- Truck Driving Essentials

COMPUTER SKILLS

- Email
- Genesys Administration
- Microsoft Office

CONTINUOUS IMPROVEMENT

- Decision Making
- ISO Training
- Lean Manufacturing
- Organizational Skills
- Problem Solving
- Process Improvement
- Statistical Analysis
- Strategic Planning
- Teambuilding

MANAGEMENT SKILLS (Managers & Supervisors Only)

- Coaching Procedures
- Decision Making
- Leadership
- Motivation
- Project Management

MANUFACTURING SKILLS

- Crane/Forklift
- Electrical Engineering
- Lean Manufacturing

- Maintenance
- Packaging
- Production Operations
- Propane Safety
- Warehouse Process Control

LITERACY SKILLS

- Vocational English as a Second Language

Literacy Skills cannot exceed 45% of total training hours per trainee

OSHA 10/30 (Certified OSHA Instructor)

- OSHA 10 (Requires Completion of 10 Hours)
- OSHA 30 (Requires Completion of 30 Hours)

CBT Hours

0-30

BUSINESS SKILLS

- Delivering Presentations (1 hr 35 min)
- Effective Public Speaking (1 hr)
- Pitching Projects and Products (45 min)
- Sales Skills (2 hrs)

COMPUTER SKILLS

- Advanced Formulas and Functions (5 hrs)
- Advanced Spreadsheet Training (6 hrs)
- Creating Charts/Tables (3 hrs)
- Shortcuts (1 hr)
- Spreadsheet Essential Training (6 hrs)

CONTINUOUS IMPROVEMENT

- Achieving Goals (1 hr)
- Productivity (2 hrs)
- Time Management Fundamentals (1 hr)

MANAGEMENT SKILLS

- Conflict Resolution Fundamentals (1 hr)
- Delegating Tasks to Your Team (1 hr)
- Leadership Fundamentals (6 hrs)
- Leading Productive Meetings (1 hr)
- Managing Project Schedules (1 hr)
- Managing Small Projects (1 hr)
- Project Management Fundamentals (2 hrs)
- Thinking like a Leader (1 hr)

Note: Reimbursement for retraining is capped at 60 total hours per-trainee, regardless of method of delivery. CBT is capped at 50% of total training hours, per-trainee.