



**Retrainee – Job Creation  
Training Proposal for:  
E.A. Machining, Inc.**

**Small Business  $\leq$  \$50,000**

**ET15-0125**

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

**ETP Regional Office:** San Francisco Bay Area

**Analyst:** A. Nastari

**CONTRACTOR**

- Type of Industry: Manufacturing  
Aerospace and Defense  
Priority Industry:  Yes  No
- Number of Full-Time Employees  
California: 8  
Worldwide: 8  
Number to be trained: 10  
Owner  Yes  No
- Out-of-State Competition: NAICS Code Eligible
- Special Employment Training (SET):  Yes  No
- High Unemployment Area (HUA):  Yes  No
- Turnover Rate: 0%
- Repeat Contractor:  Yes  No

**FUNDING**

- Requested Amount: \$10,400
- In-Kind Contribution: \$11,520

**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 SB <100	Business Skills, Computer Skills, Continuous Impr, Mfg Skills, OSHA 10/30	8	8-60	0	\$1,040	\$19.00
				Weighted Avg: 40			
2	Retrainee Job Creation Initiative Priority Rate SB <100	Business Skills, Computer Skills, Continuous Impr, Mfg Skills, OSHA 10/30	2	8-60	0	\$1,040	\$13.55
				Weighted Avg: 40			

- Reimbursement Rate: Job #'s 1 and 2: \$26 SB Priority
- County(ies): Santa Clara
- Occupations to be Trained: Machine Operators, Office Assistant, Office Manager, Owners
- Union Representation:  Yes  
 No
- Health Benefits: N/A

**SUBCONTRACTORS**

- Development Services: N/A
- Administrative Services: N/A
- Training Vendors: Adaptive Quality Systems, Santa Rosa, for Continuous Improvement Skills;  
Geopath, San Jose, for Computer Skills;  
QuickBooks, Mt. View, Computer Skills.

**OVERVIEW**

E.A. Machining, Inc. (EA Machining) established in June 2001 in Santa Clara, is a small, female/minority-owned machine shop specializing in high precision, high-quality machined parts. The Company markets to customers in the aerospace, semiconductor manufacturing equipment, test and measurement, and electronics industries. EA Machining designs, engineers, and manufactures parts from customer specifications using Computer Numerically Controlled (CNC) turning and milling centers. Its customer base includes Icore International, Creative Pathways, SPEC Equipment, Apigy, and APT. The Company is also subcontracted by Millteck, Magnum, and M3D for parts manufacturing.

This is EA Machining's second ETP Proposal. In its first Agreement, the Company only achieved part of its goals: AS 9100 Certification in October 2013 and Icore-required processes. For this proposal, training will build upon the training in the previous Agreement. The training will have higher procedural levels and will be more advanced to fully implement and maintain the AS 9100 Certification. Training topics will not be repeated for the same trainees.

### **Retrainee – Job Creation**

Since earning AS 9100 Certification, EA Machining has acquired another aerospace customer. With the increasing workload, in order to meet the increased production demands without straining employees, EA Machining is committed to hiring one Machine Operator and one Office Assistant (Job Number 2). In order to qualify, trainees must be hired within the three months prior to Panel approval.

### **Training Plan**

**Business Skills** – Training will be offered to all occupations in Customer Service and Product Knowledge required to clearly communicate with customers when taking orders, explaining materials and in providing competitive pricing.

**Computer Skills** – Training will be offered to all occupations. GeoPath, a software program required for developing equipment programming to manufacture parts, and E2 Shoptech, software that will streamline production flow to increase efficiencies, will be provided to Machine Operators and Owners. Quickbooks will be provided to the owner, Office Manager, and Office Assistant to manage and maintain business records.

**Manufacturing Skills** – Training will be provided to Machine Operators and Owners. Trainees must be proficient in operating multiple machines. Cross-training on all equipment will create a flexible workforce that will be able to meet production timeframes.

**Continuous Improvement** – Training will be offered to all occupations in AS 9100 in order to maintain its certification.

### **OSHA 10/30**

OSHA 10 will be provided to Machine Operators, while OSHA 30 will be provided to the Owners. OSHA 10/30 is a series of courses “bundled” by industry sector and occupation. It consists of 10 hours of training for journeymen and 30 hours for supervisors.

Completion of the training results in a certificate that expands employment opportunities. To ensure that each trainee receives certification, ETP will only consider payment earned upon completion of the full 10-hour or 30-hour course.

### **RECOMMENDATION**

Staff recommends approval of this proposal.

**PRIOR PROJECTS**

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

Agreement No.	Location (City)	Term	Approved Amount	Payment Earned \$ %
ET12-0438	Santa Clara	6/26/2012– 12/25/2013	\$10,920	\$4,611 (42%)

EA Machining attributes its lower than expected performance to the following:

EA Machining's initial ETP training was to support achieving AS 9100 certification. The scope of training of the Agreement was based on a consultant's projections. When the Agreement began, the consultant resigned due to personal problems. The Company had to halt training while it searched for another consultant. The Company submitted a modification in December 2012 to extend the term 6 months to allow time to find a consultant and restart training.

Once the new consultant was hired and the training plan was reviewed, the Company realized that it did not need as much training as was originally anticipated. The Company re-analyzed its training plan with the new consultant to identify areas within the Company that were not meeting AS 9100 requirements.

Although the Company did not perform well on the Agreement, it did achieve its main goal of AS 9100 Certification. Machine Operators still required more training. However, by this time it had reached the last allowable training date of September 20, 2013. With AS 9100 foundations in place, the Company is ready to move forward in providing additional AS 9100 standards skills to its Machine Operators.

**Exhibit B: Menu Curriculum**

**Class/Lab Hours**

8–60

Trainees may receive any of the following:

**BUSINESS SKILLS**

Customer Service  
Product Knowledge

**CONTINUOUS IMPROVEMENT**

AS 9100 Certification  
Quality Management  
Risk Management  
Inspection  
Training Records for Employees/Matrix Maintenance  
DMR (Discrepant Material Reports)  
RMA (Return Material Authorization)  
Disposal of Parts  
Purchase Orders  
Purchasing Supplies and Procedures  
Tool Calibration  
RFQs Request for Quote  
Implement 9102 Form  
Document Control

Safety Training will be limited to 10% of total training hours per-trainee

**MANUFACTURING SKILLS**

Machine Cross Training – CNC Turning and Milling Centers (Crowne, Cadet, Fadal, and Puma)  
Introduction (Crowne, Cadet, Fadal, and Puma)

**COMPUTER SKILLS**

GeoPath  
E2 Shoptech  
QuickBooks

**OSHA 10/30** (OSHA Certified Instructor)

OSHA 10 (requires completion of 10-hour course)  
OSHA 30 (requires completion of 30 hour course)

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