Training Proposal for:

EI & El Wood Products Corp.

Agreement Number: ET19-0341

Panel Meeting of: December 7, 2018

ETP Regional Office: North Hollywood

Analyst: J. Romero

PROJECT PROFILE

<table>
<thead>
<tr>
<th>Contract Attributes:</th>
<th>Retrainees</th>
<th>Priority Rate</th>
<th>Industry Sector(s):</th>
<th>Manufacturing (E)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>Priority Industry:</td>
<td>Yes ❑ No ❑</td>
</tr>
<tr>
<td>Counties Served:</td>
<td>San Bernardino, Sacramento</td>
<td>Repeat Contractor:</td>
<td>Yes ❑ No ❑</td>
<td></td>
</tr>
<tr>
<td>Union(s):</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Yes ❑ No ❑</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Number of Employees in:</td>
<td>CA: 400</td>
<td>U.S.: 405</td>
<td>Worldwide: 405</td>
<td></td>
</tr>
<tr>
<td>Turnover Rate:</td>
<td>16%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Managers/Supervisors:</td>
<td>(% of total trainees)</td>
<td>6%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

FUNDING DETAIL

<table>
<thead>
<tr>
<th>In-Kind Contribution: (100% of Total ETP Funding Required)</th>
<th>Total ETP Funding</th>
</tr>
</thead>
<tbody>
<tr>
<td>$185,280</td>
<td>$155,480</td>
</tr>
</tbody>
</table>
**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</th>
<th>Average Cost per Trainee</th>
<th>Post-Retention Wage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Retrainee Priority Rate</td>
<td>Business Skills, Computer Skills, Cont. Imp., Mfg. Skills, Literacy Skills, PL-Mfg. Skills</td>
<td>299</td>
<td>8-200</td>
<td>0</td>
<td>$520</td>
</tr>
</tbody>
</table>

**Minimum Wage by County:** $16.70 for San Bernardino County and $16.80 for Sacramento 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 $2.50 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>Warehouse/Inventory Worker</td>
<td>93</td>
<td></td>
</tr>
<tr>
<td>Production Worker</td>
<td>95</td>
<td></td>
</tr>
<tr>
<td>Administrative Staff</td>
<td>53</td>
<td></td>
</tr>
<tr>
<td>Forklift Operator</td>
<td>12</td>
<td></td>
</tr>
<tr>
<td>Loader</td>
<td>20</td>
<td></td>
</tr>
<tr>
<td>Research &amp; Development</td>
<td>8</td>
<td></td>
</tr>
<tr>
<td>Manager/Supervisor</td>
<td>18</td>
<td></td>
</tr>
</tbody>
</table>

**INTRODUCTION**

Founded in 1967, El & El Wood Products Corp. (El Wood) (www.elandelwoodproducts.com) is a wholesaler and manufacturer of doors, crown moldings and pillar accessories used in residential and business establishments. The Company manufactures custom-made doors and makes flexible moldings and pillar heads using polyurethane materials. Customers include home improvement stores such as Lowes, Home Depot and other similar retailers in and outside California.

With the rise of the housing and development industry, the demand for El Wood products has increased, resulting in a 30% workforce increase in the last 12 months. The Company opened two additional facilities in Chino to accommodate its additional production lines. El Wood also purchased new CNC machines, a robotic/automatic machine. The Company also installed a new ERP system (Ponderosa) to meet product demand and improve its order and fulfillment processes. El Wood is also expanding its customer sales base in Arizona, Utah and Nevada.
El Wood must upgrade employee skills for proficiency in various equipment and machines and the Company’s operation and manufacturing processes. Training will develop worker skills, enabling them to more easily promote within the Company.

**PROJECT DETAILS**

This is El Wood’s first ETP Contract. The Company plans to train workers on new equipment, ERP software system, business skills and process improvement. Training will improve worker skills in the manufacturing processes and increase productivity.

Training will also benefit employees in developing skills needed to further excel in job responsibilities and undertake tasks in more challenging positions.

**Training Plan**

**Business Skills**: Training will be offered to Research and Development, Supervisors/Managers, Administrative Staff and Warehouse/Inventory Workers. Training will focus on customer satisfaction and process management. Trainees will learn to resolve complaints, identify problems, and propose solutions that exceed customer expectations.

**Computer Skills**: Training will be offered to all occupations to operate new software systems: Ponderosa Database System, Automatic and Robotic System, Excel and Microsoft Windows Applications. Training will also include the proper usage of software screens and functions for maximum benefit.

**Continuous Improvement**: Training will be offered to all occupations and includes key methods used in a Continuous Improvement work environment. This will allow the Company to focus efforts in better customer service and product quality.

**Literacy Skills**: Training will be offered to Production and Warehouse/Inventory Workers, Forklift Operators and Loaders.

**Manufacturing Skills**: Training will be offered to Production and Warehouse/Inventory Workers, Forklift Operators, Loaders and Supervisors/Managers. Training will include operation, preventive maintenance and repair of specialized machinery used in the manufacturing process. Trainees will also receive skills on product review from a customer’s perspective.

**Productive Laboratory**

Trainees may produce goods for profit as part of the PL training in the courses identified under the Curriculum. The instructor will be dedicated to training delivery during all hours of training. El Wood will provide approximately 12 hours of PL-Manufacturing Skills training to Production and Warehouse/Inventory Workers on equipment used during manufacturing. This training cannot be duplicated in a Class/Lab setting as the equipment is large and complex. PL training will be conducted at all five El & El facilities. The Company requests a 1:2 trainer-to-trainee ratio given some equipment requires two employees to operate.

**Commitment to Training**

El Wood spends an average of $60,000 annually in training on mandatory regulated training to ensure compliance with local, state and federal regulations. The Company also provides basic job skills training necessary in performing their job safely and correctly by shadowing and on-the-job 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

El Wood is ready to start training upon approval of this proposal. The Director of Human Resources will be responsible for administering training. Two staff members will work together with department heads to schedule and coordinate training. Each facility will also have a designated administrator to assist with administration. Training will be delivered by in-house experts and vendors as needed.

RECOMMENDATION

Staff recommends approval of this proposal.

DEVELOPMENT SERVICES

N/A

ADMINISTRATIVE SERVICES

N/A

TRAINING VENDORS

To be determined
Exhibit B: Menu Curriculum

Class/Lab Hours
8-200
Trainees may receive any of the following:

BUSINESS SKILLS
- Communication Skills
- Decision Making
- Problem Solving

COMPUTER SKILLS
- Advanced Microsoft Window Applications (Word/Excel)
- Ponderosa System
- Automatic and Robotic (UPC) System

CONTINUOUS IMPROVEMENT
- Shop Math
- Operating Skills
- Inventory Count
- Lean Manufacturing
- Globally Harmonized System Training

MANUFACTURING SKILLS
- Machine Operator Training
- Wood Product Training
- Basic Shop Math Skills
- Order Count/Inventory Training (Automatic and Robotic System)

LITERACY SKILLS
- Vocational English as a second language

PL Hours
0 – 12
MANUFACTURING SKILLS (Ratio 1:2)
- Machine Operator Training
- Order Count/Inventory Training (Automatic and Robotic System)

Literacy Training cannot exceed 45% of total training hours per-trainee.

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