

DELEGATION ORDER



RETRAINEE - JOB CREATION

Training Proposal for:

Environmental & Occupational Risk Management, Inc.

Agreement Number: ET16-0119

Approval Date: July 8, 2015

ETP Regional Office: San Francisco Bay Area

Analyst: A. Nastari

PROJECT PROFILE

Contract Attributes:	Priority Rate Retrainee Job Creation Initiative	Industry Sector(s):	Services Environmental Priority Industry: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Counties Served:	Alameda, Orange, Santa Clara, Ventura	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: 95	U.S.: 120	Worldwide: 120
<u>Turnover Rate:</u>	12%		
<u>Managers/Supervisors:</u> (% of total trainees)	16%		

FUNDING DETAIL

Program Costs	-	(Substantial Contribution)	(High Earner Reduction)	=	Total ETP Funding
\$33,600		\$0	\$0		\$33,600

In-Kind Contribution:	100% of Total ETP Funding Required	\$40,000
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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, Commercial Skills, Computer Skills, Continuous Improv., HAZWOPER, Management Skills	40	8 - 200	0	\$540	\$15.07
				Weighted Avg: 30			
2	Retrainee Job Creation Priority Rate	Business Skills, Commercial Skills, Computer Skills, Continuous Improv., HAZWOPER, Management Skills	10	8 - 200	0	\$1,200	\$12.33
				Weighted Avg: 60			

Minimum Wage by County: Job 1: Alameda and Santa Clara - \$16.44; Orange - \$16.02; Ventura - \$15.07. Job 2: Alameda and Santa Clara - \$13.70; Orange - \$13.35; Ventura - \$12.33

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

Job 1 - Up to \$1.94 per hour may be used to meet the Post-Retention Wage for Job 1 and up to \$1.45 per hour may be used for Job 2

Wage Range by Occupation		
Occupation Titles	Wage Range	Estimated # of Trainees
Job Number 1		
Administrative Support		14
Technical Staff		20
Managers		3
Supervisors		3
Job Number 2		
Administrative Support		4
Technical Staff		4
Managers		1
Supervisors		1

INTRODUCTION

Environmental and Occupational Risk Management, Inc., (EORM) www.eorm.com is a consulting company that provides Environmental, Health, Safety and Sustainability (EHS&S) management services to its clients to enhance performance and reduce liability while enabling them to provide safe and healthy work environments. Clients include local, state, regional, federal, and educational entities, utilities, energy, chemical and petroleum organizations, and manufacturing companies, across all industries (technology, manufacturing, healthcare and life sciences, food and beverage, and business services.)

In January 2015, EORM was purchased by British Standards Institution (BSI). EORM is now a subsidiary of BSI. The investment increases BSI's US workforce from 290 to 450 workers worldwide. Only EORM workers will be trained in this proposal located at its Alameda, Laguna Hills, Oxnard, and San Jose facilities.

EORM is eligible for standard retraining as a company primarily engaged in providing services directly to customers located both inside and outside of California.

This is EORM's second ETP Agreement. During its first Agreement, EORM upgraded Technical Staff's skills in ISO 14001 & 18001 Certification, LEED Accreditation, Joint Hospital Accreditation Skills and Commercial Skills that focused on Clean Technology, Sustainability and Construction. Admin/Support Staff, Technical Staff & Supervisors/Managers received Decision Making and Problem Solving skills, while key individuals in all occupations received training in process improvement to streamline systems for increased productivity and error reduction.

This new training plan will focus on new accreditation for Technical Staff, Supervisors and Managers in professional certification & accreditation in Associate Environmental Professional, (AEP), Associate Safety Professional (ASP), Certified Safety Professional (CSP) and Hazardous Waste Operations & Emergency Response Professional (HAZWOPER.)

As a result of its previous Agreement, EORM has increased efficiencies and can now focus on training in Quality Management for Supply Chain Management.

Managers and supervisors will receive leadership skills required to facilitate and lead workers through the newly acquired certification processes, advancements into new oil and gas industries, and management of resource allocations during the company's growth.

Computer Skills training in Systems Integrations in EORM's recently upgraded proprietary software platforms is required to extrapolate data and create reports for information sharing and process control utilize for performance, project and customer management, streamline and expedite bidding processes, scheduling, and inter-departmental reporting capabilities.

EORM's staff works with clients to customize, design, plan, and implement services to conform with the following sample of management systems standards: Environmental Management System (ISO 9001 & 14001); Occupational Health & Safety Management System (OHSAS 18001); Responsible Care Management System; Guidelines for Incorporating Eco-Design (ISO 14006); Life Cycle Assessment (ISO 14044); Greenhouse Gas Emissions (ISO 14064), and Leadership in Energy and Environmental Design (LEED). Additional services include Strategic Planning, Hazardous Materials Management, Air Quality Management, Waste and Wastewater Management, Emergency Preparedness and Response, Facility Closure, and Construction Environmental, Health, Safety and Sustainability (EHS&S) Services.

EORM's staff also works with clients' contractors devising protocols, training, auditing and monitoring programs to ensure that owners' potential liabilities – safety, environmental and financial – are minimized and their reputations safeguarded. EORM may also act as its clients'

representatives providing construction safety management on a wide range of oil, gas, solar, wind or other projects.

Recently enacted regulations of the U.S. Department of the Interior's Bureau of Safety and Environmental Enforcement (BSEE) offshore program require formalized Safety and Environmental Systems (SEMS) be implemented in oil, gas, and sulphur exploration, in the Gulf of Mexico. EORM is assisting operators in the Gulf of Mexico to develop, implement and maintain management systems that are compliant with this regulation.

Prior Performance

Under its previous Agreement, EORM estimated it would retain 56 trainees; however, it trained 39 trainees, earning 47% of the potential contract amount.

Although it had lower than expected performance, EORM Implemented the foundation for its formal Train-the-Trainer program; upgraded staff's skills in ISOs 14001 and 18001 Certifications, LEED Accreditation, Joint Hospital Accreditation, Technical Skills for Clean Technology, Sustainability and Construction industries and Integrated Frontline Decision Making and Problem Solving across all occupations.

For this Proposal, EORM originally identified training needs in excess of \$75,000. However, to ensure 100% performance in this Agreement, the project has been right-sized to \$33,600. EROM plans to deliver additional training on its own.

The majority of this training plan will focus on the employees hired during and since EORM's last ETP contract, as well as 10 individuals it plans to hire during the term of this Proposal (Job Number 2). Incumbent workers will receive higher level skills related to new and updated changes and procedures specific to their job responsibilities.

Business Growth

Over the past three years, EORM has seen a steady 3%-5% increase in customer demand for services in the Energy industry specific to refinery safety in Oil and Gas production. Staff requires extensive training in assessments, devising protocols, auditing and program management.

In the Healthcare industry, EORM has witnessed 5%-7% growth in client's business needs resulting from the Affordable Care Act, which requires new and increased processes to integrate the U.S. National Healthcare Initiative. Therefore, it must train workers in healthcare management services related to the Affordable Care Act.

Retrainee - Job Creation

In support of job creation, the Panel is offering incentives to companies that commit to hiring new employees. Training for newly-hired employees is reimbursed at a higher rate, and trainees are subject to a lower post-retention wage.

Since its last ETP contract, EORM opened a new facility in Alameda and increased staff by over 50% (from 83 to 120 worldwide employees and from 65 to 95 California employees).

EORM plans to hire 10 new employees (Job Number 2), in the occupations of Administrative Support Staff, Technical Staff, Managers and Supervisors. The new workers will be placed across its four California facilities where there is sufficient space to house additional staff.

The date-of-hire for trainees will be within the three-month period before contract approval or within the term-of-contract. Trainees will be hired into "net new jobs" as a condition of contract.

PROJECT DETAILS

Training will address skills required to increase services in the Energy industry specific to refinery safety in Oil and Gas production and the Healthcare industry resulting from the Affordable Care Act. An increase in business demands in both of these areas requires extensive training in assessments, devising protocols, auditing and program management. Increased processes required for the integration of the U.S. National Healthcare Initiative requires new skills in healthcare management services related to the Affordable Care Act.

Training Plan

EORM will train its Administrative Support Staff, Technical Staff, Managers and Supervisors throughout its four California facilities in the area of Business, Commercial, Computer, Continuous Improvement and Management Skills.

Business Skills (25%): Admin/Support Staff will receive training in Communication Skills; Technical Staff & Managers will receive training in Project Management, and all occupations will receive training in Effective Business Strategies- Sales Approaches for Growth, Aligning Customer Expectations to Changing Industry Guidelines, Marketing Strategies for Growth, and Strengths, Weaknesses, Opportunities & Threats (SWOT) Analysis. As a result of the training, EORM expects to reduce the amount of time it takes for a customer's inquiry to be successfully responded, concluded to the customer's satisfaction, logged into the customer's file and closed.

Commercial Skills (45%): Training will be delivered to Technical Staff and Supervisor/Managers in industry certifications such as AEP (Associate Environmental Professional), ASP (Associate Safety Professional), CSP (Certified Safety Professional) & HAZWOPER (Hazardous Waste Operations & Emergency Response). The acquisition of the certifications is necessary to ensure EORM provides the accurate information to its customers in order to meet compliance. Training in Affordable Care Act Guidelines, and Oil and Gas Materials Handling will support the increased volume of business EORM is experiencing in the growing industries and technical advancements. By having a well trained workforce in the Healthcare and Energy industries, EORM will have a competitive advantage during the bidding processes.

Computer Skills (10%): Training will be offered to all occupations required to fully utilize recently upgraded software platforms. EORM is moving to Ajera for its time and expense reporting; Salesforce for maintaining its clients' recordkeeping, and Box to migrate information from its in-house server and SharePoint for performance, project and customer management. The data is necessary for bidding, scheduling and inter-departmental reporting capabilities. EORM anticipates the training will enable it to generate real-time reports reducing its bidding preparation and scheduling timelines.

Continuous Improvement (10%): Training will be delivered to all occupations in Quality & Accuracy Evaluations, Process Management for Consistency to ensure best practices, and Leadership Development to grow in-house leaders who can lead teams through the Company's growth while improving quality. The training in this Proposal is different than in the prior project in that it created a foundation that effectively reduced wasteful activities and associated costs, and improved efficiencies. This training will improve internal processes specifically on properly and accurately assessing the client's business, which is the first step in delivery of services. The outcome is to increase efficiencies and empower its workers through decision-making skills.

Management Skills (10%): Training will be provided to Managers and Supervisors which will focus on Leadership skills to ensure required resources and skillsets are in place. The Management Team will be responsible for introducing new in-house capabilities in Healthcare Industry's Affordable Care Act Portfolio of Services, advancements in the Energy industry, and

new AEP, ASP, CSP & HAZWOPER certifications. It will further lead the Company through its information sharing via systems integration, computer software upgrades, and handheld mobile technologies. The Management Team must have the skills to positively motivate their teams, while ensuring it clearly communicates the company's goals and expectations of its departments and workers.

Certified Safety Training

Hazardous Waste Operations and Emergency Response Standard (HAZWOPER): This training is also a series of courses specifically designed for workers who handle hazardous substances as first-responders, or clean-up as needed at a hazard disposal or emergency site. It consists of 40 hours of classroom or CBT training, for workers stationed at the hazard site; and 24 hours for workers who visit the site, in this case Technical Staff. Field training is also required, although not funded by ETP. Completion of the training results in a certificate that expands employment opportunities. Each certification requires an 8-hour annual refresher course. This coursework must be approved by Cal-OSHA, and the instructors must be certified by Cal-OSHA.

Training in HAZWOPER will be delivered to Technical Staff, as clients require HAZWOPER certified individuals to be on site as first responders in the event of an incident. Currently EORM has one certified trainer to train staff and respond to clients' needs. The HAZAWOPER skills in this Proposal will be train-the-trainer to create core group of certified trainers.

Commitment to Training

EORM's annual training budget is \$15,000, dedicated to existing and on-going basic and systems training, employee orientation training, mandated HR compliance, seminars and training conferences.

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

EORM has internal cross-functional trainers who are experienced in ETP-funded training documentation requirements. The team includes a HR Director & Generalist, Managers at each of its four locations and two Department Supervisors, all who are aware of the training development and scheduling. EORM has an internal line of communication to ensure the training and documentation are in line with ETP guidelines. Additionally, EROM has acquired the administrative services of Sallyanne Monti Consulting.

RECOMMENDATION

Staff recommends approval of this proposal.

PRIOR PROJECTS

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

Agreement No.	Location (City)	Term	Approved Amount	Payment Earned \$ %
ET12-0305	Statewide	3/15/2012 – 3/14/2014	\$70,224	\$33,639 (47%)

Under its previous Agreement, EORM earned only 47%, which was largely due to the Company's inability to implement its Payroll/Human Resources software because the product that met EORM's specific needs was not available. EORM continues to seek the appropriate vendor for its accounting software. The Company was also challenged by the requirement to maintain class rosters at its facilities. EORM had only one dedicated person responsible for acquiring and maintaining the rosters from the Company's four facilities.

EORM has right-sized the new proposal to ensure better performance. EORM developed its HR Staff into a "Training Task Force Committee" that has developed procedures for training new hires and building its training programs to be inclusive of all lines of business. There will be a dedicated effort in the scheduling of training, continuity of content across all locations, and utilization and collection of ETP rosters. EORM has a dedicated staff person in each of its four locations, with overall oversight by its HR Generalist.

DEVELOPMENT SERVICES

EORM retained Sallyanne Monti Consulting in San Francisco, to assist with development of this proposal for a flat fee of \$1,400.

ADMINISTRATIVE SERVICES

EORM also retained Sallyanne Monti Consulting to perform administrative services in connection with this proposal for a fee of not to exceed 13% of payment earned.

TRAINING VENDORS

To Be Determined

Exhibit B: Menu Curriculum**Class/Lab Hours**

8-200

Trainees may receive any of the following:

BUSINESS SKILLS

- ✚ Effective Business Strategies for Growth
- ✚ Successful Communication Skills for Growth
- ✚ Project Management Skills for Growth

COMMERCIAL SKILLS

- ✚ Industry Advancements
 - Energy
 - Healthcare
- ✚ Industry Certifications for Growth
 - AEP (Associate Environmental Professional)
 - ASP (Associate Safety Professional)
 - CSP (Certified Safety Professional)

COMPUTER SKILLS

- ✚ Systems & Software Integration for Advancements
 - Ajera (Program used for project management)
 - Box
 - SalesForce

CONTINUOUS IMPROVEMENT

- ✚ Growing Trends in Supply Chain Management

HAZWOPER

- ✚ Hazardous Waste Operations & Emergency Response (HAZWOPER)

MANAGEMENT SKILLS (Management Trainees only)

- ✚ Leadership for Growth

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