

DELEGATION ORDER



Training Proposal for:

Finelite, Inc.

Agreement Number: ET16-0253

Approval Date: October 23, 2015

ETP Regional Office: San Francisco Bay Area

Analyst: C. Hoover

PROJECT PROFILE

| | | | |
|---|---|---------------------|--|
| Contract Attributes: | Retrainee | Industry Sector(s): | Manufacturing Green Technology |
| | | | Priority Industry: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No |
| Counties Served: | Alameda | 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: 229 | U.S.: 233 | Worldwide: 234 |
| <u>Turnover Rate:</u> | 12% | | |
| <u>Managers/Supervisors:</u> (% of total trainees) | N/A | | |

FUNDING DETAIL

| | | | | | |
|---------------|---|----------------------------|-------------------------|---|-------------------|
| Program Costs | - | (Substantial Contribution) | (High Earner Reduction) | = | Total ETP Funding |
| \$7,920 | | \$0 | \$0 | | \$7,920 |

| | | |
|------------------------------|---|-----------------|
| In-Kind Contribution: | 100% of Total ETP Funding Required | \$10,560 |
|------------------------------|---|-----------------|

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, Continuous Improvement | 40 | 8-200 | 0 | \$198 | \$16.44 |
| | | | | Weighted Avg: 11 | | | |

Minimum Wage by County: Job Number 1: \$16.44 per hour for Alameda 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 \$3.84 per hour may be used to meet the Post-Retention Wage.

Wage Range by Occupation

| Occupation Titles | Wage Range | Estimated # of Trainees |
|---------------------------|------------|-------------------------|
| Production Worker | | 22 |
| Buyer | | 2 |
| Accounts Payable | | 1 |
| Field Service Technician | | 1 |
| Production Lead | | 7 |
| Testing Techcian | | 5 |
| Quality Control Inspector | | 1 |
| Production Control Clerk | | 1 |

INTRODUCTION

Founded in 1991, Finelite, Inc. (www.finelite.com) (Finelite) is headquartered in Union City with two new locations in Livermore. Finelite designs, manufactures and markets high-performance and environmentally sustainable lighting systems. The Company's products include selections of LED and fluorescent luminaires. This includes indirect/direct lighting, Personal Lighting System (LED task), undercabinet luminaires, Integrated Classroom Lighting Systems, and A/V lighting. The Company's clients are in the commercial, educational and healthcare sectors across the U.S. and Canada.

This is the Company's third ETP Agreement. However, the Company has not had a contract with ETP in the last five years. ETP funding has helped Fineligh implement new processes and expand in California. The Company wants to continue developing frontline factory and office workers into its next generation supervisors.

During Finelite's last two ETP Agreements, training in Business Skills, Continuous Improvement, Computer Skills and Manufacturing Skills was delivered to its frontline workers, Supervisors and Managers. Since then, the Company has started a collaborative program with Chabot Community College to develop a structured training program called Finelite University. ETP funding will provide the Company with additional financial resources to fund the growth of this program. Chabot Community College will deliver on-site training at one of the Company's locations.

The Company has seen an increase in net sales from 2013 to 2014 of 196 percent. This growth prompted Finelite to expand by acquiring two new facilities in Livermore. The Company headquarters remain in Union City. All locations will have similar training, and each will participate in its Finelite University.

PROJECT DETAILS

ETP funding will be used for frontline workers selected to attend Finelite University, with the goal of eventually becoming future supervisors and managers. All training will be delivered as classroom and laboratory (Class/Lab) training.

Training Plan

Continuous Improvement (91%): Training will be delivered to all occupations. Courses include Basics of Supply Chain Management, Critical Thinking/Problem Solving, Maximizing Team Effectiveness, Kaizen and Continuous Improvement, and LEAN Manufacturing.

Business Skills (9%): Training will be delivered to Production Staff, Buyer, Accounts Payable, Field Service Technician, Production Lead, Testing Technician, Quality Control Inspector and Production Control Clerk. Courses include Product Knowledge Training and Presentation Skills.

Commitment to Training

ETP funds will not displace the Company's existing financial commitment to its training resources. The total amount that Finelite spends on training annually is \$78,600. With the majority of the budgeted amount being used at the company's headquarters, \$76,800 is related to its Union City facility. The remaining \$1,800 is allocated out to the Livermore facilities.

Most of Finelite's training is on-the-job training such as coaching, job rotation and working alongside a colleague to observe and learn skills needed to do that job. However, Finelite's aforementioned collaborative program with Chabot Community College several years ago to deliver the "lead" training program, Finelite University, a company-wide classroom based training has shown great success. Through their Finelite University training, Finelite has been able to promote several hourly employees to salaried positions.

In addition, the Company provides basic training at Chabot-Las Positas Community College, mainly for its front line workers, designed to give them the knowledge and the skills needed to become successful and to continuously improve within the Company.

Finelite provides mandatory sexual harassment prevention and safety training in accordance with all pertinent requirements under state and federal law.

Record Keeping

The Company's Vice President of Human Resources will work in conjunction with the entire executive staff to administer the ETP-funded training program.

➤ Training Infrastructure

Three full-time staff are dedicated to the administration of the ETP program. The staff will be responsible for scheduling, room set up, hours tracking, instructor needs and student feedback.

Green/Clean Operations

Finelite is involved in Green/Clean Technology. The Company manufactures LED luminaires that achieve the promise of LED technology – long life and low energy consumption. Running high-quality, mid-power LEDs and LED drivers at low temperatures enables these components to last well in excess of ten years. Through lean manufacturing and corporate practices, the Company continually examines ways to eliminate waste.

In 2006, Finelite implemented a recycling program, which greatly reduced landfill contributions. Metal, plastics, glass, Styrofoam, e-waste, and wood products are all reused or recycled. Finelite has a regular Salvation Army pick-up to donate still-useful items. Implementing an innovative solution to replace plastic shrink-wrap with reusable transport packaging, the Company has reduced overall waste by 84%. It now recycles more tonnage than what goes to landfill. For all these efforts, it was awarded the 2011 StopWaste Partnership Business Efficiency Award.

Impact/Outcome

Finelite's goal is to provide front line workers (both in the factory and in the office) with the training needed to become next-generation Leads and Supervisors. ETP-funded training will also provide employees with better decision-making, goal-setting and leadership skills. Out of the 21 "lead workers" participating, 12 have been promoted.

RECOMMENDATION

Staff recommends approval of this proposal.

DEVELOPMENT SERVICES

N/A

ADMINISTRATIVE SERVICES

N/A

TRAINING VENDORS

Chabot-Las Positas Community College District in Dublin has been retained to provide training for a fee of \$10,424.

Exhibit B: Menu Curriculum

Class/Lab Hours

8-200

Trainees may receive any of the following:

CONTINUOUS IMPROVEMENT

- ✚ Basics of Supply Chain Management
- ✚ 5 S Training
- ✚ Critical Thinking/Problem Solving
- ✚ PDCA- Plan, Do, Check, Act
- ✚ Cultural Competency (Diversity)
- ✚ Maximizing Team Effectiveness
- ✚ Take Charge & Recharge: Improving Engagement; Maximizing Energy
- ✚ Strategies for the Overwhelmed
- ✚ Kaizen & Continuous Improvement
- ✚ LEAN Manufacturing

BUSINESS SKILLS

- ✚ Product Knowledge Training
- ✚ Presentation Skills

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