



**Training Proposal for:
Griswold Controls, LLC**

Small Business

ET16-0424

Approval Date: April 6, 2016

ETP Regional Office: San Diego

Analyst: M. Ray

CONTRACTOR

- Type of Industry:
 - Manufacturing
 - Services
 - Priority Industry: Yes No

- Number of Full-Time Employees
 - California: 69
 - Worldwide: 73
 - Number to be trained: 64
 - Owner Yes No

- Out-of-State Competition: NAICS Code Eligible
- Special Employment Training (SET): Yes No
- High Unemployment Area (HUA): Yes No
- Turnover Rate: 14%
- Repeat Contractor: Yes No

FUNDING

- Requested Amount: \$68,224
- In-Kind Contribution: \$98,611

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, Computer Skills, Cont. Imp., Mfg. Skills, Literacy Skills, OSHA 10/30, PL-Mfg. Skills	64	8-60	0	\$1,066	\$16.51
				Weighted Avg: 41			

- Reimbursement Rate: \$26 SB Priority
- County(ies): Orange
- Occupations to be Trained: Administrative Support, Sales, Quality, Engineering, Production/Assembly, Manager/Supervisor, Owner
- Union Representation: Yes
 No
- Health Benefits: \$2.32 per hour

SUBCONTRACTORS

- Development Services: Assured Incentives Group (AIG) in San Clemente assisted with development for a flat fee of \$3,750.
- Administrative Services: AIG will also provide administrative services for a fee not to exceed 8% of payment earned.
- Training Vendors: ISO Ready Quality Assurance in Concord will deliver Continuous Improvement training.

OVERVIEW

Founded in 1960, Griswold Controls, LLC (Griswold) (www.griswoldcontrols.com) develops and manufactures energy and resource-efficient control products for Hydronic HVAC systems, irrigation systems, and various other industrial processes. Located in Irvine, Griswold pioneered automatic flow control with the introduction of its stainless steel flow cartridge more than 50 years ago. Today, Griswold has a wide array of flow control products including valves and pre-assembled systems for the HVAC industry as well as irrigation valves and pre-assembled piping systems for the landscaping market.

This will be Griswold's second ETP Agreement in the last five years. The majority of training focused on enhancing manufacturing and business processes through Lean Manufacturing concepts and maintenance of necessary certification such as the ISO9001:2008.

Recently, the ISO's flagship quality management systems standard, ISO9001, published a revision in September 2015. As an ISO9001-certified company, Griswold has an immediate need to bring their workers up-to-date with this standard to demonstrate consistent good quality products as well as organize and improve efficiency of processes.

Griswold's training needs are also driven by the continued out-of-state and international competition from companies bringing assembled low-cost products into the US. The Company reports that 75% of its revenues come from out-of-state businesses and 10% from international customers. To keep its competitive edge, Griswold must continuously design, develop and improve its products.

The Company must provide its workers a comprehensive training program to keep pace with industry standards, satisfy customer requirements, and surpass customer satisfaction. With the help of ETP funding, Griswold will be able to provide a comprehensive ISO9001:2015 training certification program that will involve a variety of operational and documentation requirements that are significantly different from the current ISO9001. Without this certification, Griswold may lose customers to out-of-state manufacturing, while others may seek competitors that have the required certification.

The training program will also focus on process improvement throughout the entire supply chain management, manufacturing, and fulfillment process including internal auditor upgrades. Overall, funding will continue to allow employees to improve skills necessary to increase production capabilities and improve manufacturing processes to meet customer demands and remain competitive in the global market.

Training Plan

The proposed curriculum will enhance the training plan established in its first ETP Agreement and provide extensive ISO training. Although workers trained under prior Agreement will also be trained in this proposal, the Curriculum will be different. No trainee will receive training in same curriculum they received previously. ETP training will begin upon approval and will be delivered by in-house and outside vendor trainers at the Irvine location. The Company intends to train approximately 64 workers. Training will be delivered via Class/Lab and Productive Laboratory training method in the following:

Business Skills – Training will be provided to Administrative Support, Sales, Engineering and Manager/Supervisor as it relates to their specific job functions. Training topics include Sales & Negotiations Skills, Customer Service Best Practices, Conflict Resolution, Strategic Planning, and Financial Modeling. Training will allow workers to understand the Company's products and internal processes. Trainees will improve purchasing and negotiating skills to provide the highest level of customer service.

Computer Skills – Training will be provided to Administrative Support, Sales, Engineering and Manager/Supervisor. Microsoft Office 365 training will be repeated from prior Agreement; however, the Company ensures that the subject matter has been updated and/or improved; thus, no duplication of training will occur. Further, training will be delivered to trainees who did not participate in the previous project. This training will allow trainees to operate at intermediate and advanced levels of MS Office 365.

Continuous Improvement – Training will be provided to all occupations. Griswold is hiring an outside vendor to provide ISO 9001:2015 training to streamline processes and increase production efficiencies and meet the changes in customer requirements. Course topics also

include Quality Control: Inspection Techniques, Production Workflow Procedures, and Root Cause Analysis to help improve productivity and increase efficiency throughout the organization.

Manufacturing Skills – Training will be provided to Production Staff in Finishing Procedures, Machine Set-Up/Change-Over, Production Equipment Operation, Equipment Troubleshooting, and Preventative Maintenance. Training will provide the trainees with skills necessary to improve product quality and manufacturing processes.

Literacy Skills – Training will be provided to Production/Assembly Staff in Vocational English as a Second Language (VESL) and Basic Math. The changes in the customer requirements resulted in changes in the Company's internal processes causing a dramatic need for Literacy Skills training as it relates to the organization's manufacturing processes. VESL Skills training in Writing, Reading, and Language Comprehension will allow trainees to better understand business reports, work orders, instructions, and other documents to help them work more independently.

Certified Safety Training

OSHA 10/30. This training is a series of courses "bundled" by industry sector and occupation. It consists of 10 hours of classroom or CBT training for journey-level workers and 30 hours for frontline supervisors. OSHA training will be delivered to Production/Assembly and Manager/Supervisor with a coursework geared to manufacturing. Completion of the training results in a certificate that expands employment opportunities. The coursework must be approved by Cal-OSHA, and the instructors must be certified by Cal-OSHA.

Productive Laboratory – Manufacturing Skills

The Panel recently adopted regulations to authorize reimbursement for training delivered in a Productive Laboratory (PL) setting. PL trainees may produce goods for profit as part of the training, in the courses identified under the Curriculum and with no more than one trainee per instructor. The instructor must be dedicated to training delivery during all hours of training.

Griswold requests PL training in Manufacturing Skills for approximately 20 Production/Assembly Staff. The Company reports that Production/Assembly workers are more tactile than theoretical/visual learners. Hands-on training with actual components, parts and machineries will allow trainees to learn the sounds, resistances, tolerances and textures associated with proper machine operations, assembly, and preventative maintenance. In most cases, training may not be reproduced in a classroom or simulated laboratory setting.

PL trainers will be qualified and/or machine-certified to instruct and deliver the course content and material. Trainers are responsible for directing the operations and instructions as well as providing overview, objectives, standard operating procedures, demonstration and course correction during all sessions. Select trainers will have 5 to 10+ years of experience in the current function and/or will have been trained by machine-certified staff.

Trainees may receive all training hours in PL-Manufacturing Skills (up to 20 hours) or in combination of class/lab. Training topics include Finishing Procedures, New Parts & Operational Assembly, Machine Set-Up/Change-Over, Equipment Troubleshooting and Preventative Maintenance to ensure trainees receive a broader understanding of the entire manufacturing process.

The trainer-to-trainee ratio will be 1:1. This will allow trainees to acquire the skills to become competent in the operation of the equipment without the pressure of normal production requirements.

Contract Term

Although the standard term of contract for Small Business is 12 months, Griswold requests an additional 12 months in the term of contract, from 12 to 24 months, to better align with the Company's training plan with the completion of the ISO training hours for its workers.

RECOMMENDATION

Staff recommends approval of this proposal.

PRIOR PROJECTS

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

Agreement No.	Location (City)	Term	Approved Amount	Payment Earned \$ %
ET14-0322	Orange	5/5/14 – 5/4/16	\$60,736	\$46,826 (77%)

Training was completed in April 2015. The Company successfully provided 48 workers an average of 41 hours of training.

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

8 – 60

Trainees may receive any of the following:

BUSINESS SKILLS

- Sales & Negotiation Skills
- Customer Service Best Practices
- Conflict Resolution
- Strategic Planning
- Financial Modeling

COMPUTER SKILLS

- Intermediate Microsoft Office 365
- Advanced Microsoft Office 365

CONTINUOUS IMPROVEMENT

- Quality Control: Inspection Techniques
- ISO9001:2015
 - Internal Auditor Training Preventive Actions Non-Conformance
- Production Workflow Procedures
- Root Cause Analysis

MANUFACTURING SKILLS

- Finishing Procedures
- New Parts & Operational Assembly
- Machine Set-Up/Change-Over
- Production Equipment Knowledge/Operation
- Machine Operator Cross-Training
- Equipment Troubleshooting
- Preventative Maintenance
- Shop Math

LITERACY SKILLS

- Vocational English as a Second Language
- Basic Math

OSHA 10 (Certified OSHA Instructor)

- OSHA 10 (requires 10 hours completion)
- OSHA 30 (requires 30 hours completion)

Productive Lab

0 – 20

MANUFACTURING SKILLS (1:1 ratio)

- Finishing Procedures
- New Parts & Operational Assembly
- Machine Set-U/Change-Over
- Equipment Troubleshooting
- Preventative Maintenance

Literacy Training cannot exceed 45% of total training hours, per-trainee.
Safety Training will be limited to 10% of total training hours, per-trainee. This cap does not apply to OSHA 10/30.

Note: Reimbursement for retraining is capped at 60 total hours, per-trainee, regardless of method of delivery. PL is capped at 20 hours, per-trainee.