

**DELEGATION ORDER**



**Training Proposal for:  
Hollandia Produce, LP**

**Agreement Number: ET17-0211**

**Approval Date:** October 3, 2016

**ETP Regional Office:** North Hollywood

**Analyst:** M. Reeves

**PROJECT PROFILE**

Contract Attributes:	Retrainee Priority Rate	Industry Sector(s):	Agriculture  Priority Industry: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Counties Served:	Santa Barbara, 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: 149	U.S.: 149	Worldwide: 149
<u>Turnover Rate:</u>	8%		
<u>Managers/Supervisors:</u> (% of total trainees)	20%		

**FUNDING DETAIL**

Program Costs	-	(Substantial Contribution)	(High Earner Reduction)	=	<b>Total ETP Funding</b>
\$14,976		\$0	\$0		\$14,976

<b>In-Kind Contribution:</b>	<b>100% of Total ETP Funding Required</b>	<b>\$16,041</b>
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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, Computer Skills, Continuous Imp., Hazardous Mat., Mgmt. Skills, Mfg. Skills, Literacy Skills	64	8-200	0	\$234	*\$15.60
				Weighted Avg: 13			

\*It will be made a condition of contract that the trainees in this Job Number will never be paid less than the State or local minimum wage rate as in effect at the end of retention regardless of the wage expressed in this table. The highest minimum wage rate will prevail.

**Minimum Wage by County:** \$15.60 per hour for Santa Barbara and Ventura counties

**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 \$2.46 per hour may be used to meet the Post-Retention Wage.

Wage Range by Occupation		
Occupation Titles	Wage Range	Estimated # of Trainees
Production Staff		28
Maintenance Staff		10
Supervisor		8
Manager		5
Administration Staff		10
Driver		3

**INTRODUCTION**

Founded in 1970, Hollandia Produce, LP (Hollandia) is a family-owned agricultural company that specializes in hydroponic and organic greenhouse-grown leafy greens such as butter lettuce, upland cress and 3-n-1 lettuce. Hollandia is headquartered in Carpinteria and has an additional facility in Oxnard. Training will take place at both locations. The Company qualifies for standard retraining under the out-of-state competition provisions as a food crops grower.

Hollandia provides premium quality produce to major supermarket chains, wholesale distributors, and food service wholesalers. The Company's Live Gourmet® products are harvested with their roots intact to preserve freshness, and the lettuce is packaged in a unique clamshell that functions as a mini-greenhouse. As living plants, these products have long-

lasting freshness that retains flavor and color much longer than comparable varieties of produce.

## **PROJECT DETAILS**

This is Hollandia's third ETP Agreement in five years. The previous ETP project focused on preparing staff for the opening of a new location in Oxnard. The proposed training will include approximately 30% more trainees and will focus on upgrading the skills of the existing workforce, integrating new employees, and implementing process improvements to enhance product quality and overall efficiency. Some curriculum courses are repeated from the last Agreement; however, no trainee will receive duplicate training.

Following the successful expansion into the Oxnard facility, Hollandia is continuing to experience rapid growth and is finalizing negotiations for a future third location. As it has grown, the Company has identified the need to develop employee skills to keep certain functions in-house, which were previously outsourced. Training in this Agreement will focus on employees at the Company's existing facilities.

Hollandia must build the skills of its maintenance and production teams. The Company has plans to invest approximately \$100,000 in new packaging and manufacturing equipment designed to automate its existing facilities. As the Company continues to improve its production capabilities, training is essential to help employees develop the skills to work independently and efficiently. Hollandia plans to provide extensive Continuous Improvement and Management Skills training to ensure that its leadership team can effectively lead during times of rapid growth and industry changes.

### **Training Plan**

The proposed training will be provided at the Company's locations in Carpinteria and Oxnard. Training will be delivered by in-house subject matter experts and training vendors to be identified during the contract term.

**Business Skills** (15%) - Training will be offered to all occupations. Training will focus on customer service, marketing, inventory control and financial strategies. This training is intended to improve customer relations and stimulate sales growth.

**Computer Skills** (15%) – Training will be offered to all occupations. Employees will receive training in the functionality and capabilities of the Company's Manufacturing Resource Planning (MRP) system. Trainees will develop the software navigation and resource planning skills to perform their jobs more efficiently. In addition to MRP training, workers will receive in Microsoft Office applications and computer networking training to improve office productivity.

**Continuous Improvement** (25%) – Training will be offered to all occupations. These modules will help workers develop the skills needed to improve productivity, decision-making, and project management. Frontline leadership skills training will help promote team-driven results.

**Hazardous Materials** (5%) – Training will be offered to Drivers, Supervisors/Managers Production and Maintenance Staff,. Trainees will learn safe handling and cleaning procedures for hazardous chemicals and waste.

**Management Skills** (15%) – Training will provide Supervisors/Managers with leadership, motivation, problem solving, and communication skills to enable them to become effective leaders in a high performance workplace.

**Manufacturing Skills (20%)** – Training will be offered to Production and Maintenance Staff. Trainees will gain the skills and knowledge to operate and maintain equipment, ensure product quality, and implement best practices in the areas of product production and food/materials handling.

**Literacy Skills (5%)** – Vocational English as a Second Language training will help Production Staff improve their job-related reading, writing, and comprehension. This training will improve trainees' communication skills and help them perform their jobs with greater confidence and proficiency.

### **Commitment to Training**

Hollandia spends approximately \$20,000 annually on training. Ongoing company-funded training includes new-hire orientation, anti-harassment, first aid and CPR, and forklift skills. Safety training is, and will continue to be, provided in accordance with all pertinent requirements under state and federal law.

#### ➤ Training Infrastructure

Hollandia's Human Resource and Administration personnel will manage the scheduling, tracking, and reporting of all ETP-funded training. The project team will be comprised of eight employees available to assist in all aspects of the training program.

### **RECOMMENDATION**

Staff recommends approval of this proposal.

### **PRIOR PROJECTS**

The following table summarizes performance by Hollandia under ETP Agreements that were completed within the last five years:

Agreement No.	Location (City)	Term	Approved Amount	Payment Earned \$ %
ET13-0326	Carpintaria	03/08/13 – 03/07/15	\$29,312	\$12,342 (42%)*
ET11-0115	Carpinteria	11/08/10 – 11/07/12	\$49,504	\$32,229 (65%)**

\***ET13-0326**: The Company reports that it was not properly staffed at the time to adequately organize and manage the training program. The Company now has a new Human Resources Manager, as well as administrative support personnel in place at both the Carpinteria and Oxnard locations to ensure project success. The Company also has participation commitment from all levels of management to ensure program objectives are met and clearly communicated. The Company is requesting funding in this proposal that is consistent with prior earnings.

\*\***ET11-0115**: During the contract term, the Company initiated the process of purchasing a new farming location. The planning stages (environmental survey, climate data analysis, etc.) for the new facility consumed a significant amount of time and effort. The administrative burden of the acquisition took a toll on the Company's ability to schedule training, which led to a temporary suspension of training for its leadership team September 2011. The Company continued to provide shortened classes to frontline employees in essential skills such as Equipment Operation and Good Manufacturing Practices. The Company was able to resume its leadership series of classes by the middle of 2012, but there wasn't sufficient time remaining in the contract to maximize the available funding. The Company reports that the

business transaction for its third facility involves the acquisition of an existing operation, resulting in a more simplified operational transition that is far less likely to impact performance on the proposed project.

**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**

- Identifying Customer Needs
- Marketing
- Financial Strategies
- Inventory Control
- Conflict Management

**COMPUTER SKILLS**

- Microsoft Office (Intermediate)
- Manufacturing Resource Planning
- Computer Networking

**CONTINUOUS IMPROVEMENT**

- Teambuilding
- Production Operations/Workflow
- Decision Making
- Leadership Skills
- Project Management

**HAZARDOUS MATERIALS**

- Hazardous Chemical Cleaning/Handling
- Hazardous Waste Cleaning

**MANAGEMENT SKILLS** (Managers/Supervisors only)

- Coaching/Leadership
- Motivation
- Decision Making
- Delegation
- Planning
- Problem Solving
- Communication

**MANUFACTURING SKILLS**

- Equipment Maintenance
- Operation and Control
- Critical Thinking
- Troubleshooting
- Quality Control Analysis

**LITERACY SKILLS\***

- VESL: Language Skills: Writing, Reading, and Comprehension

\*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.