



**Training Proposal for:
Holt of California
Agreement Number: ET15-0915**

Panel Meeting of: November 14, 2014

ETP Regional Office: Sacramento

Analyst: M. Mazzone

PROJECT PROFILE

Contract Attributes:	Retrainee Job Creation Initiative Priority Rate HUA Apprentice	Industry Sector(s):	Wholesale Trade Priority Industry: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Counties Served:	Sacramento, San Joaquin, Yolo, Placer, Stanislaus, Merced, Solano, Colusa, Sutter, Shasta	Repeat Contractor:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Union(s):	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Operating Engineers Local Union No. 3		
Number of Employees in:	CA: 554	U.S.: 554	Worldwide: 554
Turnover Rate:	9%		
Managers/Supervisors: (% of total trainees)	11%		

FUNDING DETAIL

Program Costs	-	(Substantial Contribution)	(High Earner Reduction)	=	Total ETP Funding
\$165,900		\$0	\$0		\$165,900

In-Kind Contribution:	100% of Total ETP Funding Required	\$194,000
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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 Administrative Staff	Business Skills, Computer Skills, Commercial Skills	45	8-200	0	\$540	\$15.00
				Weighted Avg: 30			
2	Retrainee Priority Rate Apprentice Technician	Business Skills, Computer Skills, Commercial Skills	20	8-200	0	\$780	\$23.00
				Weighted Avg: 60			
3	Retrainee Priority Rate Journeyman Technician	Business Skills, Computer Skills, Commercial Skills	70	8-200	0	\$1,080	\$28.00
				Weighted Avg: 60			
4	Retrainee Priority Rate Technician *	Business Skills, Computer Skills, Commercial Skills	30	8-200	0	\$1,080	\$20.00
				Weighted Avg: 60			
5	Retrainee Job Creation Priority Rate Technician *	Business Skills, Computer Skills, Commercial Skills	15	8-200	0	\$1,200	\$15.00
				Weighted Avg: 60			

* The Technician Trainees in Job Numbers 4 and 5 are not at the journeyman level, and are not enrolled in the apprenticeship program. However, they are supported by the union.

Minimum Wage by County: Job Number 1: \$15.59 Sacramento County; \$14.90 San Joaquin, Yolo, Placer, Stanislaus, Merced, Solano, Colusa, Sutter, and Shasta Counties.
 Job Number 2 – SET Priority Industry: \$20.32 per hour. **
 Job Numbers 3, 4, and 5 - Per Collective Bargaining Agreement
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 \$8.00 per hour may be used to meet the Post-Retention Wage.

** Funding is not SET. The SET Priority Industry wage applies per Apprenticeship Pilot.

Wage Range by Occupation		
Occupation Titles	Wage Range	Estimated # of Trainees
Administrative/Sales Staff		20
Supervisor/Manager		25
Technician – Apprentice Year 3+		20
Technician – Journeyman ***		70
Technician		30

Technician – Job Creation		15
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*** The wage range for Journeyman is based on specialty skills/duties.

INTRODUCTION

Founded in 1935, Holt of California (Holt) is a certified Caterpillar dealer distributing, renting, servicing, and repairing Caterpillar equipment and machinery, and a wide variety of equipment including: large and small construction tractors, agricultural equipment, forklifts, racking systems, telescopic handlers, prime and stand-by-power generation, UPS systems, and on-highway truck engines. The five divisions; Earthmoving, Agriculture, Power Systems, Material Handling, and the CAT Rental Store serve all industries.

The Company has 16 locations serving customers in Central and Northern California. It is anticipated that employees from all location will participate in the proposed training, however training will be conducted primarily at the Pleasant Grove, Stockton, and West Sacramento facilities.

This single employer is eligible to be funded under the Apprenticeship Pilot Guidelines effective March 23, 2013. This project will provide apprentice and journeyman training as part of this ETP Agreement. The Panel has approved that, for the purposes of Apprenticeship Pilot, the employer is deemed to meet out-of-state competition. The industry sector, Wholesale Trade, qualifies for Priority reimbursement per. core program guidelines.

Need for Training

Starting in 2004, changes in state and federal emission standards require all equipment manufacturers to begin rolling out new engine technologies in various model lines. In 2011 Tier 4 Interim technologies began, and this continues with most models to Tier 4 Final by 2015.

Additionally, equipment manufacturers are continually making advancements in hydraulic and power train systems to improve operational efficiency. These new technologies are also based on electronic controls and improvements in hydraulic pumps, motors, and controls. Employees must be current on these new technologies to effectively service customer's equipment and machines.

Retrainee - Job Creation

In support of job creation, the Panel is offering incentives to companies that commit to hiring new employees. Under the Retrainee-Job Creation program, training for newly-hired employees will be reimbursed at a higher rate and trainees will be subject to a lower post-retention wage.

In this proposal, Holt has committed to hiring 15 new Technicians as shown in Job Number 5. To be eligible for reimbursement under this Job Number, the trainees must be hired within the three-month period prior to Panel approval or during the term of contract. The Company also represents that these trainees will be hired into "net new jobs" as a condition of contract.

Holt has invested over \$1 million to upgrade its Specialization Shop in Pleasant Grove to house a new engine dyno and the transmission dyno. Additionally, it will be expanding the hydraulic rebuild area of the shop. Another \$500K has been invested for a new Compaction Construction Equipment facility at an unused company-owned building in Pleasant Grove. Holt anticipates 15 new technicians will be needed for this expansion.

Apprenticeship

The Apprenticeship Training Pilot Training allows funding for programs sponsored by a Joint or Unilateral Training Committee, or by a Single Employer (Plant Standard).

Holt is sponsoring a Plant Standard program, and will be the first of this type in the Apprenticeship Pilot. A unique feature of this DAS-approved program is that there is no trust, nor was the program created through collective bargaining. However, the Technician trainees in Job Numbers 2-5 (apprentices and journeyman) are represented by Operating Engineers Local Union No.3., and a letter of support has been received by ETP.

The San Joaquin Valley Automotive and Related Trades JATC, which is also DAS-approved for this trade with other signatory employs (not Holt), has acknowledged that Holt is qualified to train Caterpillar Service Technician apprentices. Holt has partnered with the San Joaquin Delta College to provide the Caterpillar Dealer Service Technician Program utilizing the proprietary ThinkBIG Curriculum. At the completion of the program, apprentices receive an Associate Degree in Applied Science, a requirement of the Apprenticeship program.

This is a four-year program with Related and Supplemental Instruction (RSI) running through the first two years. This proposal will cover only advanced or ancillary classroom training in Commercial Skills for apprentices after the minimum RSI has been completed, in Year 3+. To ensure ETP does not displace Montoya Funds, Apprenticeship Pilot reimbursement is reduced by \$5.00, reducing the priority industry rate from \$18.00 to \$13.00 per hour.

The ETP minimum wage for apprentices is the SET Priority statewide wage of \$20.32 per hour; however Apprentices will meet the collective bargaining agreement wage of \$23.00 per hour including health benefits, which reflects the union wage for year 4 apprentice technicians.

PROJECT DETAILS

Business Skills (15%): Training will be offered to Administrative Staff, Sales Staff, Technicians, Managers, and Supervisors, and include topics such as accounting, financial analysis, marketing techniques, new production introduction, sales process, and team development. Training is intended to improve communications, teamwork, and customer service, sharpen negotiation skills, and increase sales.

Commercial Skills (70%): Training will be offered to Technicians, Sales Staff, Managers, and Supervisors. Training will include brake system repair, electric power generation, engine repair fuel system repair, hydraulic system repair, and powertrain repair. Training will focus on new, upgraded and re-designed equipment and parts, and repair techniques. The focus of training is to cross-train workers in order to meet compliance and technical specifications. The apprentice training will focus on basic equipment repair and maintenance.

Computer Skills (15%): Training will be offered to Administrative Staff, Technicians, Sales Staff, Managers, and Supervisors to focus on new hardware and software updates. Topics will include Caterpillar service information system, customer relations module, heavy equipment monitoring systems, and MS Office suite.

Commitment to Training

Holt spends approximately \$350,000 annually per facility in California. Prior training was provided primarily to Administrative Staff, Sales Staff, Service Technicians, and Supervisors/Managers. Training included on-the-job training and computer based training in business, computer, and commercial skills.

Holt represents that 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

Holt will have two dedicated staff to schedule, enroll, and track training,

High Unemployment Area

Some trainees may work in High Unemployment Area (HUA), defined as any area with unemployment exceeding the state average by at least 15%. However, Holt is not asking for a wage modification.

Impact/Outcome

The goal of this training program is to achieve appropriate employee advancements. In addition some equipment manufacturers have certifications for various achievements of technical training and experience. In addition, apprentices will receive an Associate Degree in Applied Science.

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

Job Number 1 - 5
8 - 200

Trainees may receive any of the following:

BUSINESS SKILLS

- Accounting
- Business Processes
- Communication & Interpersonal Relationships
- Financial Analysis
- Identifying Customer Needs & Customer Development
- Management Development
- Marketing Techniques
- Negotiation
- New Product Introduction and/or Product Knowledge
- Sales Process
- Team Development
- Warranty Administration & Management

COMPUTER SKILLS

- Caterpillar Electric Technician (ET)
- Caterpillar Service Information System (SIS)
- Customer Relations Module (CRM)
- Dealer Business System (Caterpillar DBS & BMTS)
- GPS Tracking for Service Vehicles (Telogis)
- Heavy Equipment Monitoring Systems (GPS or Global Positioning Systems)
- Material Planning
- MS Office Suite (Excel, PowerPoint, Word, etc.)

Job Numbers 2-5

COMMERCIAL SKILLS - Technician

- Assembly Procedures
- Brake System Repair
- Contamination Control
- Electric Power Generation
- Electrical System Repair
- Engine Repair
- Failure Analysis
- Fuel System Repair
- Hydraulic System Repair
- Reading Schematics and Technical Specifications
- Trade Specific Safety (Speciality Driving Skills)
- Powertrain Repair (Brakes, Transmissions, Undercarriage, etc.)

Safety Training cannot exceed 10% 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.