



**Retrainee - Job Creation
Training Proposal for:
Hydro Tek Systems, Inc.**

Small Business

ET16-0355

Approval Date: February 16, 2016

ETP Regional Office: North Hollywood **Analyst:** E. Wadzinski

CONTRACTOR

- Type of Industry: Manufacturing
 - Priority Industry: Yes No
- Number of Full-Time Employees
 - California: 64
 - Worldwide: 64
 - Number to be trained: 34
 - Owner Yes No
- Out-of-State Competition: NAICS Code Eligible
- Special Employment Training (SET): Yes No
- High Unemployment Area (HUA): Yes No
- Turnover Rate: 7%
- Repeat Contractor: Yes No

FUNDING

- Requested Amount: \$28,080
- In-Kind Contribution: \$27,215

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, Continuous Impr, Mfg Skills	30	8-60	0	\$780	\$15.07*
				Weighted Avg: 30			
2	Job Creation Initiative Retrainee SB<100 Priority Rate	Business Skills, Computer Skills, Continuous Impr, Mfg Skills	5	8-60	0	\$936	\$12.33*
				Weighted Avg: 36			

*It will be made a condition of contract that the trainees in these Job Numbers will never be paid less than the state or local minimum wage rate as in effect at the end of retention (Final Payment) regardless of the wage expressed in this table.

- Reimbursement Rate: Job #'s 1 and 2: \$26 SB Priority
- County(ies): San Bernardino
- Occupations to be Trained: Administration, Customer Service, Engineering, Inventory/Order Handling, Manager/Supervisor, Owner, Production Purchasing/Logistics, Sales/Marketing
- Union Representation: Yes
 No
- Health Benefits: Job #1: \$2.66 per hour Job #2: \$1.33 per hour

SUBCONTRACTORS

- Development Services: N/A
- Administrative Services: N/A
- Training Vendors: To Be Determined

OVERVIEW

Founded in 1985, Hydro Tek Systems, Inc. (Hydro Tek) (www.hydrotek.us) is located in Redlands. The Company designs, engineers and manufactures high quality cold, hot and steam pressure washers. Hydro Tek sells its high-pressure washers for industrial, commercial, and household use through wholesalers and retailers throughout the world. The Company operates from a single facility in Redlands which is where training will take place. This is Hydro Tek’s second ETP Contract.

In the first Agreement, Hydro Tek focused training in Lean manufacturing concepts and a “demand-pull” (just-in-time) production philosophy. Hydro Tek also provided training to help improve production processes utilizing new Enterprise Resource Planning (ERP) and AutoCAD software.

Training under this proposal will focus on new processes and business expansion. In regards to new processes, Hydro Tek will be implementing a new proprietary technology into the manufacturing process, and it will be launching a new product line. Training will help employees learn these new processes. Additionally, with the new technology and product line, the Company will be adding 10 new vendor distribution centers. The Company expects a 10-15% increase in sales over the next 2 years.

Retrainee - Job Creation

The Panel is offering incentives to companies that commit to hiring new employees (higher reimbursement rate and a lower post-retention wage). Trainees must be hired within the three-month period prior to Panel approval or during the term of the contract.

Hydro Tek is expanding its business capacity by hiring five new employees to support production and sales (Job Number 2). The date of hire 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.

Training Plan

Business Skills – Training will be offered to all occupations. Training is expected to support internal and external customers and provide better service in a timely manner.

Computer Skills – Training will be offered to all occupations. This training will include software updates, inventory control programs, as well as software changes incorporated with the addition of the 10 new distribution centers. Engineers will also receive training in AutoCAD.

Continuous Improvement – Training will be offered to all occupations on Lean Concepts. Training is geared towards increasing productivity and improving production and services to increase sales and help the Company remain competitive.

Manufacturing Skills – Training will be offered to Production Staff, Engineering, Inventory/Order Handling, Purchasing/Logistics, Manager/Supervisor and Owner. Training will focus on equipment maintenance and operation.

RECOMMENDATION

Staff recommends approval of this proposal.

PRIOR PROJECTS

The following table summarizes performance by Hydro Tek under an ETP Agreement that was completed within the last five years.

Agreement No.	Location (City)	Term	Approved Amount	Payment Earned \$ %
ET13-0367	Redlands	05/10/13- 05/09/15	\$27,300	\$23,518 (86%)

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

8 - 60 Trainees may receive any of the following:

BUSINESS SKILLS

- Project Management
- Accounting & Inventory Control
- Marketing Expansion
- Listening and Communication Skills
- Administrative Support and Effectiveness
- Customer Service and Sales Skills
- Teambuilding
- Leadership Skills

COMPUTER SKILLS

- AutoCAD
- Network Administration
- Server Management
- Enterprise Resource Planning
- Customer Relationship Management (CRM) Software
- Microsoft Office (Intermediate or Advanced)

CONTINUOUS IMPROVEMENT SKILLS

- Effective Measures
- Lean Manufacturing
- Problem Solving
- Documentation Processes
- Process Improvement
- Inventory Management
- Quality Control
- ISO 90001

MANUFACTURING SKILLS

- Manufacturing Practices
- Production Operations
- Equipment Operations
- Assembly Procedures
- Forklift Operations
- Inventory Control
- Blue Prints

Safety Training will be limited to 10% of total training hours per-trainee.

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