



**Training Proposal for:
Inspec Testing, Inc.**

Small Business

ET16-0312

Approval Date: December 18, 2015

ETP Regional Office: San Diego

Analyst: M. Ray

CONTRACTOR

- Type of Industry:
 - Services
 - Technology/Other
 - Priority Industry: Yes No

- Number of Full-Time Employees
 - California: 28
 - Worldwide: 49
 - Number to be trained: 28
 - Owner Yes No

- Out-of-State Competition:
 - Other: Company engaged within an industry identified by the Panel to be facing out-of-state competition

- Special Employment Training (SET): Yes No
- High Unemployment Area (HUA): Yes No
- Turnover Rate: 5%
- Repeat Contractor: Yes No

FUNDING

- Requested Amount: \$40,768
- In-Kind Contribution: \$46,800

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 SB <100	Business Skills, Computer Skills, Continuous Improvement, Commercial Skills, OSHA 10, OSHA 30, PL - Commercial Skills	28	8 - 200	0	\$1,456	\$15.93
				Weighted Avg: 56			

- Reimbursement Rate: Job #'s 1 & 2: \$26 SB Priority
- County(ies): San Diego
- Occupations to be Trained: Administrative Support, Inspector, Manager/Supervisor, and Owner
- Union Representation: Yes
 No
- Health Benefits: Job #1: \$0.93 per hour

SUBCONTRACTORS

- Development Services: Bright Training Solutions (BTS) in San Diego will develop the project for a flat fee of \$3,000.
- Administrative Services: BTS will also assist with administrative services for a fee not to exceed 10% of earned funds.
- Training Vendors: To Be Determined

OVERVIEW

Founded in 1996 and headquartered in National City, Inspec Testing, Inc. (Inspec Testing) (www.InspecTesting.com) is a minority-owned small business that provides nondestructive and destructive testing as well as inspection analysis for both public and private organizations in the construction, fabrication, manufacturing, and maritime industries. Non-destructive testing uses a wide range of measurement analysis techniques to evaluate the properties of materials, components and/or systems without causing permanent damage or deformation. In contrast, destructive testing determines service life and detects design weaknesses by prolonged endurance tests under the most severe operating conditions, continued until the product fails.

Inspec Testing’s customer base includes ship repair and ship building companies such as BAE Systems San Diego Ship Repair, General Dynamics NASSCO, and Continental Maritime; as well as SeaWorld, the San Diego Court House, General Atomics, San Diego Gas & Electric (SDGE), and National Aeronautics and Space Administration.

This will be the second Agreement between Inspec Testing and ETP. In its previous ETP Agreement, the Company was able to provide its workers with various Business, Commercial, Computer, and Continuous Improvement Skills. However, training was interrupted due to business growth. In this proposal, the training need is heavily driven by the Company's significant growth in the last year as well as projected expansion in the next two years.

In order to support this long-term business goal, Inspec Testing will focus on increasing the number of skilled workers. The Company must not only train new employees with basic skills, but also cross-train existing workers to successfully perform job duties and possibly promote to a higher-level position.

In addition to developing a succession plan for its workforce, the Company is committed to implement process improvement initiatives. Inspec Testing plans to develop internal quality checkpoints to ensure high quality services while remaining in compliance with increased specifications and new regulations from its military and general client base. Further, the Company plans to implement a new Ultrasonic System in order to keep pace with specific testing techniques required by individual customers.

Training Plan

Some curriculum topics in this proposal are repeated from the prior agreement; however, Inspec Testing ensures that the subject matter has been updated and/or improved; thus there will be no duplication of training in any courses. For example, more experienced workers will require a higher level of training.

Inspec Testing designed the curriculum to enhance the training plan established in its prior Agreement. Training will begin upon approval of this proposal, and will be delivered at the San Diego location. Training will be delivered via the following Class/Lab and Productive Laboratory training:

Business Skills – Training will be offered to all occupations. A significant amount of leadership skills training will be provided to Managers/Supervisor and Owners in order to develop leadership and team skills to successfully facilitate change and to coach the workforce in new skills and behaviors. Communication skills training will allow trainees to improve interaction with customers, suppliers, and other employees within the department to reduce mistakes and enhance business relationship.

Commercial Skills – Training will be offered to Inspectors and Managers/Supervisors. Training will focus on the science of inspection equipment, processes, and techniques and will include inspection techniques using radar, liquid penetration, magnetics, radiology, ultrasonic, and blue print readings. Comprehensive Inspection/Testing training will provide Inspectors the skills to not only strengthen employee advancement opportunities but also meet increased industry and customer demands.

Computer Skills – Training will be offered to all occupations as it pertains to their job duties. Training topics such as Microsoft Office, SAGE, Ultrasonic System, and AutoCAD will allow trainees to fully utilize the capabilities of the Company's computer software and streamline processes within the department.

Continuous Improvement – Training will be offered to all occupations. Course topics include Lean Manufacturing Concepts, Process Improvement, Team Building, Quality Concepts, and Problem Solving/Decision-Making Skills. Training will provide workers with skills necessary to

improve customer outreach and relationship development as well as promote a supportive management structure.

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 training for entry level workers and 30 hours for journey-level workers, Managers/Supervisors, and owners. 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 – Commercial Skills

The Panel has 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. The instructor will be dedicated to training delivery during all hours of training, and special attendance rosters will be used to assist in monitoring.

In this proposal, Inspec Testing requests PL training for 21 Inspectors (all levels) in Commercial Skills, specifically, course topics in Inspection Skills such as Ground Penetrating Radar, Liquid Penetrant, Radiology, Ultrasonic, Visual Inspection, Eddy Current, and X-Ray Fluorescence Technology. Trainees may receive all their training hours in PL-Commercial Skills (up to 16 hours) or a combination of class/lab including PL hours. Training will be specific to the type of equipment and/or process to ensure trainees receive a broader understanding of the entire inspection/testing process. [Note: PL was not a delivery method in the prior Agreement.]

PL trainers will complete the Train-the-Trainer program in order to be qualified, skilled, subject-matter experts, and/or machine-certified to instruct and deliver the course content and material. Trainers are responsible for specifying scope of work; explaining process; verifying that trainees understand instructions, standards, and specifications; as well as provide coaching, mentoring, and critiquing trainees as work is performed.

The trainer-to-trainee ratio for PL training will be 1:1. The Company anticipates production will be 25 to 35% lower during PL to focus on quality of product, ensure that the task has been performed correctly, and trainees understand the process and become proficient in the specified task. This will allow trainees to acquire the skills to become competent in the operation of the equipment without the pressure of normal production expectations.

Modifications

Increase in Range of Hours

In its prior project, Inspec Testing requested an increase in the maximum hours from 60 to 142 for incumbents and from 60 to 102 for Job Creation trainees in order to capture the most critical training needed for Inspectors. Despite the interruption in training delivery, the Company was able to provide more than 200 training hours for many Inspectors.

The Company is once again asking to increase the maximum hours for its Inspectors, in keeping with its “succession plan” for this key element of its workforce. This plan is designed to promote Inspectors through three classified levels. Newly-hired Inspectors need a minimum of 80 hours of training during the first two weeks of employment to reach the Inspector 1 level,

followed by an additional 22 hours of on-the-job training. Going from Inspector 2 to Inspector 3 requires between 80-102 training hours.

These trainees will need advanced skills training in various Inspection/Testing Skills (Commercial Skills). At the completion of training, some Inspector 2 trainees may qualify for a Certified Welding Inspector certificate through the American Welding Society. Certification will enable these Inspectors to work on government public works projects.

Although the standard range of hours for Small Business is 8-60 hours, Inspec Testing requests an increase in the maximum hours from 60 to 200 to capture the aforementioned critical training needed for Inspectors (89% of the training population).

Contract Term

Although the standard term of contract for a Small Business is 12 months, Inspec Testing requests an additional 12 months to accommodate Inspectors to reach required proficiency levels.

RECOMMENDATION

Staff recommends approval of this proposal, including the modifications outlined above.

PRIOR PROJECTS

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

Agreement No.	Location (City)	Term	Approved Amount	Payment Earned	
				\$	%
ET13-0354	National City	4/8/13 – 4/7/15	\$76,960	\$42,172	(55%)

According to Inspec Testing, the primary factor behind this level of performance was the overwhelming growth experienced during the term of this Agreement. The Company’s workforce resources were sent from San Diego to Norfolk, VA to support initial start-up of a new location. The remaining Inspectors in San Diego were working substantial overtime to meet customer demands; and were unable to participate in all of the training as scheduled.

In addition, the Company’s in-house administrative Staff did not adequately document delivery of ETP-funded training hours. Consequently, although training was provided, the Company achieved lower than expected training performance.

Inspec Testing has since refocused on business processes in both locations. In addition, the Company has adopted a step-by-step administrative process as follows:

- Additional staff have been assigned, including a new Training Manager. The Training Manager will be responsible for managing overall administration and coordinating with the third-party subcontractor; and
- Attendance rosters and other ETP-related records will be readily accessible to all trainers and Managers/Supervisors; and
- ETP training and ensuring that ETP-eligible training will be clearly linked to the Company’s strategic goals.

Furthermore, the current proposal has been right-sized to \$40,768 in keeping with prior earnings.

Exhibit B: Menu Curriculum

Class/Lab Hours

8 - 200 Trainees may receive any of the following:

BUSINESS SKILLS

- Leadership
 - Leadership for Results
 - Motivation
 - Coaching and Counseling
 - Business Writing
 - Leading Change
 - Empowerment and Delegation
 - Managing Meetings
 - Critical Thinking
- Communication
 - Customer Service
 - Listening
 - Questioning
 - Clarifying
 - Non-Defensive Communication
 - Candor
 - Persuasion Skills
 - Giving and Receiving Feedback

COMMERCIAL SKILLS

- Technical Math Skills
- Blue Print Reading
- Technical Report Writing
- Inspection/Testing Skills
- Ground Penetrating Radar I & II
- Liquid Penetrant I & II
- Radiological I
- Ultrasonic – Phased Array
- Ultrasonic – Time of Flight Diffraction
- Visual Inspection I & II
- Destructive Skills
- Eddy Current
- X-Ray Fluorescence (XRF) Technology
- Magnetic Particle

COMPUTER SKILLS

- Microsoft Office
 - Word
 - Excel
 - Outlook
 - PowerPoint
 - Access
- SAGE - Enterprise Resource Planning Software (ERP)
- Ultrasonic System
- Auto CAD (Computer-Aided Design)

CONTINUOUS IMPROVEMENT

- Lean Manufacturing Concepts
- Process Improvement
- Team Building
- Train-The-Trainer
- Problem Solving/Decision-Making Skills
- Quality Concepts

OSHA 10 (Certified OSHA Instructor)

- OSHA 10 (requires 10 hours completion)

OSHA 30 (Certified OSHA Instructor)

- OSHA 30 (requires 30 hours completion)

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

Productive Lab Hours

0 – 16

COMMERCIAL SKILLS (1:1 ratio)

- Inspection Skills
 - Ground Penetrating Radar I & II
 - Liquid Penetrant I & II
 - Radiological I
 - Ultrasonic – Phased Array
 - Ultrasonic – Time of Flight Diffraction
 - Visual Inspection I & II
 - Eddy Current
 - X-Ray Fluorescence (XRF) Technology

Note: Reimbursement for retraining is capped at 200 total hours, per-trainee, regardless of method of delivery. PL is capped at 16 hours per-trainee.