



**Retrainee - Job Creation  
Training Proposal for:  
KRC Safety Co., Inc.**

**Small Business**

**ET16-0305**

**Approval Date:** December 29, 2015

**ETP Regional Office:** Sacramento

**Analyst:** M. Jones

**CONTRACTOR**

- Type of Industry: Manufacturing  
Services  
Priority Industry:  Yes  No
- Number of Full-Time Employees  
California: 95  
Worldwide: 95  
Number to be trained: 83  
Owner  Yes  No
- Out-of-State Competition: No OSC
- Special Employment Training (SET):  Yes  No
- High Unemployment Area (HUA):  Yes  No
- Turnover Rate: 5%
- Repeat Contractor:  Yes  No

**FUNDING**

- Requested Amount: \$54,510
- In-Kind Contribution: \$65,000

**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 HUA SET SB <100	Business Skills, Commercial Skills, Computer Skills, Continuous Improvement	69	8-60	0	\$616	\$15.07
				Weighted Avg: 28			
2	Retrainee HUA Priority SB<100	Business Skills, Commercial Skills, Computer Skills, Continuous Improvement, Mfg. Skills	7	8-60	0	\$832	\$15.07
				Weighted Avg: 32			
3	Retrainee SET SB<100	Business Skills, Commercial Skills, Computer Skills, Continuous Improvement	2	8-60	0	\$616	\$27.40
				Weighted Avg: 28			
4	Job Creation Initiative HUA SET SB<100	Business Skills, Commercial Skills, Computer Skills, Continuous Improvement	5	8-60	0	\$1,040	\$14.00
				Weighted Avg: 45			

- Reimbursement Rate: Job #'s1, 3 & 4: \$22 SB Non-Priority  
Job #2: \$26 SB Priority
- County(ies): Tulare and Los Angeles
- Occupations to be Trained: Administrative Staff, Field Crew, Mechanic, Transportation Staff, Frontline Supervisor, Frontline Manager, Graphics Staff
- Union Representation:  Yes Laborers Local 294  
 No
- Health Benefits: Job #1 & 2: \$0.07 per hour Job #3: \$2.65 per hour

**SUBCONTRACTORS**

- Development Services: Strategic Business Solutions, LLC of Visalia developed the proposal for a flat fee of \$3,500.
- Administrative Services: Strategic Business Solutions, LLC will also provide administration for a fee not to exceed 13% of earned funds.
- Training Vendors: To Be Determined

## **OVERVIEW**

KRC Safety Co., Inc. (<http://krcsafety.com/wordpress>) (KRC) was established in 1978 in Visalia, which serves as its Corporate Headquarters, with a second location in Los Angeles. KRC provides traffic control plans and equipment such as concrete barriers, lighted barricades, and electronic signboards. The Company also manufactures traffic, street, and construction signage and provides K-Rail sales and rentals, along with other related rentals. KRC's primary customers are commercial contractors and municipalities such as California Department of Transportation (Cal Trans).

The Company has two divisions; KRC Safety, and KRC Graphics.

- KRC Safety provides services (e.g. sales and rental) in Visalia and Los Angeles. This is a non-priority industry.
- KRC Graphics is a design, print and manufacturing operation located in the Visalia facility. Only seven trainees perform manufacturing functions. These functions have Out of State Competition and qualify for Priority Industry status (see Job #2).
  - The product line includes vehicle sign wraps, vinyl decals, window graphics, signs, banners, posters and business cards.

Only the manufacturing functions, identified above, face Out of State Competition. The Company's other operations are eligible for funding under Special Employment Training.

## **Need for Training**

In order to remain competitive and keep up with industry demands, KRC must introduce a more efficient business operation and enhance its customer's experience including account development and project management. KRC also has a Business Skills and Soft Skills training plan for all staff which will train on such topics as Total Account Strategies and Advanced Customer Service Skills.

KRC has developed a training plan to train the Field Crew in Traffic Flow Planning and set-up to meet customer demands and expectations. The Traffic Flow Planning training is to teach acceptable methods of set-up and control of traffic flow, onsite supervision of road construction projects from a traffic flow standpoint, and signage per National Highway Safety and Cal Trans requirements. In conjunction with the Traffic Flow Planning training, KRC purchased Rapid Plan Software in October 2015. This training will train staff on the use and application of this software in the planning of various traffic control solutions.

KRC Graphic's training plan will focus on Manufacturing Skills training for the Production Staff and Production Supervisor. The staff already possesses basic skills in this area, but will need to broaden those skills to increase the number of products produced in an economical and efficient manner.

## **Retrainee – Job Creation**

With the 2013 American Recovery and Reinvestment Act, many municipalities and commercial construction companies received monies to meet traffic control requirements for capital improvement projects. The Recovery Act and subsequent jobs measures contained a large number of provisions that were aimed at strengthening long-run growth, providing for substantial investment in areas such as physical and technological infrastructure, education and job training, scientific research, and clean energy. For example, the Recovery Act initiated more

than 15,000 transportation projects, which will improve nearly 42,000 miles of road, mend or replace over 2,700 bridges, and provide funds for over 12,220 transit vehicles.

Due to an increased demand for traffic control equipment, crews and signage, sold and manufactured at KRC, the Company must hire additional staff to meet this demand.

In light of the increased customer demand, KRC is expanding services, and has purchased five specialty trucks for traffic control, and two cranes for the K-Rail placement. In addition, the Company must hire additional staff to help with the business growth and current workload. As such, KRC has committed to hiring five new employees to perform services in Visalia (Job Number 4). The date-of-hire for all trainees in the Job Creation program will be within the three-month period before contract approval or within the term-of-contract. These trainees will be hired into “net new jobs” as a condition of contract.

The Panel is offering incentives to companies that commit to hiring new employees. Training will be reimbursed at a higher rate and trainees will be subject to a lower post-retention wage.

## Training Plan

**Business Skills** – Training will be offered to all occupations to enhance the interests of the organization and its goals. Frontline Managers, Supervisors and Administrative Staff will receive training to provide time management skills, improve workflow, and increase profits and market share. Training topics will include Handling Special Orders, Materials Staging and Project Communications.

**Commercial Skills** – Training will be offered to all occupations to emphasize safe operation, proficiency of use, handling and preventative maintenance on equipment, knowledge of traffic control patterns. Graphic Design Staff and Supervisors will attain increased knowledge on set-up, design and programming of the equipment and machines. Training topics will include Computer Assisted Machinery Programming/Operation, Hoist/Crane Training, Traffic Flow Planning and Set-Up, and Safe Loading, Unloading and Transport of Materials.

**Manufacturing Skills** – Training will be offered to Graphic Design Staff to gain expertise in printing and fabrication functions and the technical application of wraps. Training topic will be Sign/Wrap Production Best Practices.

**Continuous Improvement** – Training will be offered to Leads, Supervisors and Frontline Managers to strengthen motivation skills, build consensus, and create a productive team atmosphere. Training topics will include Leadership, Teambuilding, Lean Processes, and Materials Handling Equipment training.

**Computer Skills** - Training will be offered to all occupations to expand knowledge and advance skills in software used throughout the Company. This will allow staff to be more efficient in software such as Sunburst software used for payroll, overtime tracking, prevailing wage tracking which is integrated with Quickbooks to provide a synergy between office operations and data gathering for management reports. The Service Plan software training supports the Company's fleet with a detailed service and repair, and maintenance schedule. Training topics will include Intuit, Rapid Plan Software and CAD software.

## SET/HUA

Under Special Employment Training (SET), the participating employer is not required to demonstrate out-of-state competition, as is the case in Job Numbers 1, 3, and 4 in this proposal. To qualify under SET, trainees must be earning at least the statewide average hourly wage at

the end of the retention period, (SET Wage), although there is a wage modification for HUA as discussed below. All trainees under SET must be frontline workers.

### **SET/HUA Wage Modification**

The 81 trainees in Job Numbers 1, 2 and 4 work in a High Unemployment Area (HUA) with unemployment exceeding the state average at least 25%. The determination of HUA status is based on unemployment data from the Labor Market Information Division of the Employment Development Department.

In an HUA, all trainees are eligible for the ETP Minimum Wage of \$15.07 per hour rather than the SET Wage, and KRC is asking for this modification in Job Numbers 1 & 2. However, the occupations to be trained under Job Number 3 all earn at least the SET Wage of \$27.40 per hour. As such, KRC is not asking for a wage modification for Job Number 3.

The Job Creation trainees in Job Number 4 are eligible for the HUA New Hire wage of \$14.00 per hour, but KRC is not requesting wage modification.

### **RECOMMENDATION**

Staff recommends approval of this proposal, with the modifications shown above.

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

8 - 60 Trainees may receive any of the following:

**BUSINESS SKILLS**

- Account Development
  - Advanced Customer Service Skills
  - Total Account Strategies
  - Purchasing Best Practices
  - Handling Special Orders
  - Conflict Resolution
- Project Management
  - Scheduling
  - Materials Staging
  - Purchasing
  - Project Communications
  - Time Management
  - Equipment Procurement
  - Worksite Safety

**COMMERCIAL SKILLS**

- Safe Loading, Unloading and Transport of Materials
- Traffic Flow Planning and Set-Up
- Hoist/Crane Training
- Computer Assisted Machinery Programming/Operations
- Sign/Wrap Mounting and Placement Training

**COMPUTER SKILLS**

- Quickbooks
- Intuit
- Sunburst Software
- Microsoft Office (intermediate/advanced)
- The Service Plan Software
- Rapid Plan Software
- CAD Software

**CONTINUOUS IMPROVEMENT**

- Leadership
- Teambuilding
- Lean Processes
- Material Handling Equipment

**MANUFACTURING SKILLS**

- Sign/Wrap Production Best Practices

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



# Laborers Training and Retraining Trust Fund for Northern California

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*Commitment • Integrity • Quality • Teamwork • Balance*

September 4, 2015

The Application Review Unit  
Employment Training Panel  
1100 J Street, 4<sup>th</sup> FL  
Sacramento, CA 95814

RE: ETP Training Program

On behalf of the Northern California Laborers Training Center and Laborers Local 294, I am writing this letter to express strong support for the grant application prepared by KRC Safety for professional and job skills training that will be provided to our members employed by KRC Safety.

Our members are dispatched with a level of training that allows them to explore many opportunities within the construction industry but the grant funds from the Employment Training Panel (ETP) will bring additional training that KRC Safety can provide to our members working in their facility(s). The nature of their work and unique job site challenges requires a level of training and development that these grant funds will provide.

As the KRC Safety continues to develop its employees, it makes us all more competitive while providing our members with the evolving job skills necessary to remain safe and productive.

Respectfully,

Leonard Gonzales  
Executive Director