



## RETRAINEE - JOB CREATION

### Training Proposal for:

## Kinkisharyo International, LLC

**Agreement Number: ET15-0441**

**Panel Meeting of:** May 21, 2015

**ETP Regional Office:** North Hollywood

**Analyst:** M. Webb

### PROJECT PROFILE

Contract Attributes:	Job Creation Initiative Priority Rate Retrainee	Industry Sector(s):	Manufacturing  Priority Industry: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Counties Served:	Los Angeles	Repeat Contractor:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Union(s):	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
Number of Employees in:	CA: 175	U.S.: 250	Worldwide: 1,300
<u>Turnover Rate:</u>	4%		
<u>Managers/Supervisors:</u> (% of total trainees)	18%		

### FUNDING DETAIL

<table border="1" style="width: 100%; border-collapse: collapse;"> <tr><td style="text-align: center;">Program Costs</td></tr> <tr><td style="text-align: center;">\$345,000</td></tr> </table>	Program Costs	\$345,000	-	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="text-align: center;">(Substantial Contribution)</td> <td style="text-align: center;">(High Earner Reduction)</td> </tr> <tr> <td style="text-align: center;">\$0</td> <td style="text-align: center;">\$0</td> </tr> </table>	(Substantial Contribution)	(High Earner Reduction)	\$0	\$0	=	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr><td style="text-align: center;"><b>Total ETP Funding</b></td></tr> <tr><td style="text-align: center;">\$345,000</td></tr> </table>	<b>Total ETP Funding</b>	\$345,000
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<b>In-Kind Contribution:</b>	100% of Total ETP Funding Required	\$398,375
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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	Computer Skills, Management Skills, Manufacturing Skills	125	8-200	0	\$1,800	\$15.97
				Weighted Avg: 100			
2	Job Creation Initiative Retrainee	Computer Skills, Management Skills, Manufacturing Skills	50	8-200	0	\$2,400	\$13.31
				Weighted Avg: 120			

**Minimum Wage by County:** Job Number 1: \$15.97 per hour for Los Angeles County; Job Number 2 (Job Creation): \$13.31 per hour for Los Angeles County.

**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 \$0.97 per hour may be used to meet the Post-Retention Wage.

**Wage Range by Occupation**

Occupation Titles	Wage Range	Estimated # of Trainees
<b>Job Number 1</b>		
Production Technicians		75
Leads		17
Managers/Supervisors		33
<b>Job Number 2</b>		
Production Technicians		50

**INTRODUCTION**

Founded in 1920, Kinkisharyo International, LLC (Kinkisharyo)([www.kinkisharyo-usa.com](http://www.kinkisharyo-usa.com)), designs, manufactures, and maintains low-floor light railcars for transit agencies worldwide. Kinkisharyo is the North American subsidiary of Kinki Sharyo Co., Ltd. based in Osaka, Japan. The Company's expanding technological and manufacturing capabilities make it the top supplier of light rail vehicles in North America. California clients include Los Angeles (LA) Metro, and Valley Metro Rail.

## **PROJECT DETAILS**

Kinkisharyo's latest contract (LA Metro) is to design and manufacture a total of 235 light rail vehicles for LA Metro, within strict tolerance limits and deliverable dates. In this proposal, trainees will learn new Manufacturing skills to ensure productivity.

Because the Kinkisharyo light rail vehicles are assembled on-site, the Company must hire and train local workforce. Given the stringent deadlines for LA Metro, training must launch in June 2015, and will take place at the Kinkisharyo facilities in El Segundo and Palmdale. Specifically, Production Technicians will receive training in railcar interior assembly/wiring, installation, inspection and tool usage.

The proposed training plan will teach Technicians necessary skill sets to complete production of the LA railcars according to Kinkisharyo's quality standard and on time. All classroom and simulated training will be documented for the purpose of ETP reimbursement.

### **Training Plan**

ETP-funded training will improve efficiency and ensure staff will retain new knowledge and skill sets in assembling, wiring, piping, and welding operations according to Kinkisharyo's strict quality standards. All courses included in the Curriculum are pertinent elements required to complete light rail manufacturing.

**Computer Skills (5%):** Training will be offered to all occupations to teach trainees to use company software programs. Trainees will learn to navigate the Kronos time reporting system, company email system, and intranet portal.

**Manufacturing Skills (75%):** Training will be offered to all occupations to ensure efficiency and provide trainees with the skill sets required to manufacture light rail vehicles. Curriculum topics include basic tools usage, assembling, wiring and piping light rail vehicles.

**Management Skills (20%):** Training will be offered to all Managers and Supervisors to improve communication and leadership skills.

### **Commitment to Training**

The Company will continue to deliver training such as safety training, on-the-job training, and other mandatory mechanical/electrical training outside of this ETP project. Training is company-wide and job specific. Kinkisharyo spends approximately \$250,000 annually in training.

Kinkisharyo 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

Five Kinkisharyo employees have been assigned to administer the ETP project. The facility General Manager, Safety Manager and HR Manager will manage class attendance, scheduling, and ETP documentation. Two Corporate Human Resource and Accounting personnel will complete duties such as enrollment, data entry, and payment process.

**Retrainee - Job Creation**

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

Kinkisharyo has committed to hiring 50 new employees (Job Number 2). Kinkisharyo must hire staff within the Los Angeles area to complete all light rail vehicles at their Palmdale facility. Newly hired staff will receive training in welding light rail vehicles in addition to other Manufacturing Skills to complete rail cars. Computer Skills training will also be provided to staff to ensure employees can navigate company software programs, email and intranet portals.

Kinkisharyo represents that the date-of-hire for all trainees in Job Number 2 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.

**RECOMMENDATION**

Staff recommends approval of this proposal.

**DEVELOPMENT SERVICES**

N/A

**ADMINISTRATIVE SERVICES**

N/A

**TRAINING VENDORS**

N/A

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

8-200

Trainees may receive any of the following:

**COMPUTER SKILLS**

- Automatic Data Processing (ADP) Maintenance Portal
- Kronos Training
- Zimbra Computer Software

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

- Leadership
- Coaching and Feedback
- Performance Management
- Time Management
- Delegation/Accountability
- Motivation

**MANUFACTURING SKILLS**

- Light Rail Vehicle Interior Assembly
  - BluePrint Reading
  - Assemble and Install (Panels, Hand Rails, Insulation, Flooring)
  - Tool Usage
- Light Rail Wiring
  - Install and Inspect Wire
  - Measure, Cut, Mark, and Label Wires
  - Wire Assembly Tasks
  - Faulty Wires
  - Troubleshooting
- Light Rail Vehicle Sub Assembly
  - Interpret Vendor Instruction
  - Assembly (Door Panels, Interior Panels, Windows, Consoles)
  - Tool Usage (Rivet Guns, Heat Guns, Shears, Drills)
  - Inspection

Note: Reimbursement for retraining is capped at 200 total training hours per trainee, regardless of the method of delivery.
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