



**Training Proposal for:
The Kroger Company**

Agreement Number: ET15-0443

Panel Meeting of: May 21, 2015

ETP Regional Office: North Hollywood

Analyst: M. Webb

PROJECT PROFILE

Contract Attributes:	Retrainee Priority Rate	Industry Sector(s):	Manufacturing Priority Industry: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Counties Served:	Los Angeles, Riverside, Orange	Repeat Contractor:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Union(s):	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Bakery, Confectionary, Tobacco Workers and Grain Millers, Local 31; International Union of Operatring Engineers-AFL-CIO Local 501; Teamsters Locals 166, 63, and 572		
Number of Employees in:	CA: 12,354	U.S.: 150,315	Worldwide: 150,315
<u>Turnover Rate:</u>	8%		
<u>Managers/Supervisors:</u> (% of total trainees)	8%		

FUNDING DETAIL

Program Costs	-	(Substantial Contribution)	(High Earner Reduction)	=	Total ETP Funding
\$424,224		\$0	\$0		\$424,224

In-Kind Contribution:	100% of Total ETP Funding Required	\$751,000
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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	Business Skills, Computer Skills, Continuous Improvement, Hazardous Materials, OSHA 10/30, Manufacturing Skills, Management Skills	491	8-200	0-87	\$864	\$15.07
				Weighted Avg: 48			

Minimum Wage by County: Job Number 1: \$15.97 per hour in Los Angeles County; \$16.02 per hour in Orange County; \$15.07 per hour for Riverside 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

Although employer provides health benefits, they are not being used to meet Post-Retention Wage.

Wage Range by Occupation		
Occupation Titles	Wage Range	Estimated # of Trainees
Job Number 1		
Sanitation Staff		24
Production Staff		330
Engineering and Maintenance Staff		66
Human Resource Staff		27
Managers & Supervisors		30
Managers/Supervisors II		14

INTRODUCTION

Founded in 1883, The Kroger Company (Kroger) (www.kroger.com) is the country's largest grocery retail company. Headquartered in Cincinnati, Ohio, the Company operates approximately 2,640 supermarkets, fuel centers, convenience stores, fine jewelry stores, and 38 manufacturing plants. Food products manufactured and processed at company plants are then sold in Kroger supermarkets and subsidiaries such as Ralphs, Food 4 Less, and King Soopers. Three manufacturing plants located in Southern California will participate in training under this

Agreement (La Habra, Riverside, and Compton). The La Habra Bakery and Riverside/Compton Creameries produce foods that are sold in Kroger supermarket chains.

This will be the second ETP Agreement for The Kroger Company. Training delivered under ET07-0109 (over six years ago), trained staff to run machinery and learn Company procedures and methods being used during that time. Since then, Kroger has purchased new equipment and updated computer systems as well as company procedures. Training to be delivered under this project will teach staff to operate new machinery and teach new processes that will increase efficiency.

PROJECT DETAILS

Kroger implemented a new company concept entitled *Self-Directed Work Teams* to minimize direct supervision. Training developed under this concept will increase employee's ability to problem solve and make decisions independently. The Company is also implementing Total Process Control (TPC), to ensure workers are utilizing processes and safety standards of the highest quality when manufacturing and handling foods. TPC training will encourage employees to share suggestions with management on process improvement to increase productivity and maintain a high performance workplace.

Kroger has invested millions of dollars in new equipment to stay current with the latest machinery used in the food industry. This new equipment can determine butterfat content in dairy products. Trainees will use this information to determine analytical solutions for production and quality control. Additional courses include Food Processing Procedures, Equipment Operations, and Cross Training.

Continuous Improvement, Business and Computer Skills training will also be provided to trainees under this Agreement. Training will better familiarize staff with built-in tools in software programs that can be used to complete work orders, schedule jobs, and assign Production Staff. Trainees will also learn computer skills to operate the company's maintenance management system. As maintenance activities are monitored, staff can ensure facility equipment is operating at peak performance. Furthermore, training will establish preventive maintenance, improve data management, and decrease maintenance costs. Through training employees will learn lean manufacturing practices (Six Sigma) to increase efficiency and improve employee job performance.

Training Plan

Project staff identified areas at each facility that require improvements. Managers and Supervisors from these locations were consulted to develop a training plan that would improve employee skill set and capabilities. Training for Kroger takes place on an on-going basis; once approved, the Company will begin to document training within ETP record keeping requirements.

Business Skills (10%): Training will be offered to Human Resource Staff, Engineering and Maintenance Staff, and Managers and Supervisors. Topics will improve interpersonal and communication skills as well as prepare staff to implement Self-Directed Work Teams.

Management Skills (10%): Training will be offered to Managers and Supervisors to learn new methods to manage more effectively. Topics to be delivered include Project Management, Coaching, and Presentation Skills.

Computer Skills (3%): Training will be offered to Engineering and Maintenance Staff, Managers and Supervisors. Staff will learn how to navigate computer software programs used by the Company to create production schedules, monitor productivity

Manufacturing Skills (35%): Training will be offered to all occupations to increase productivity and ensure staff uses best practices. Training courses include Lock Out Tag Out, Food Processing Procedures, and Production Operations.

Continuous Improvement (30%): Training will be offered to all occupations to improve company process and operations. Topics to be delivered include Problem Solving, Six Sigma, Lean Manufacturing, and Statistical Control.

Computer-Based Training (CBT) (5%): Training will be offered to all occupations and will cover topics in Manufacturing Skills. As a secondary training method, staff may be assigned to complete training via computer in Basic Mechanics, Hand Tools, and Reading Blueprints.

Certified Safety Training (7%)

1. OSHA 10/30. This training is a series of courses “bundled” by industry sector and occupation. It consists of 10 hours of classroom or CBT training for journey-level workers and 30 hours for frontline supervisors. The coursework is geared to construction work, and also manufacturing. 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.
2. Hazardous Materials (HAZMAT). This training is also a series of courses, specific to industry sectors involved in the transport of hazardous materials. The coursework varies in length depending on the industry and the occupational title, as organized in five levels ranging from “first responder” to “incident commander.” It is generally a minimum of 24 hours with an 8-hour annual refresher, and may be delivered by classroom or CBT. In this proposal, Engineering, Maintenance, Managers/Supervisors, and Production Staff will receive up to 24 hours of training. Field training may be required, although not funded by ETP. Completion of the training results in a certificate that expands employment opportunities. This coursework is not under Cal-OSHA, but is administered under the Department of Transportation and CalTRANS. There are various certification entities for the coursework and instructors. In this proposal, certification is by Ammonia Safety & Training Institute (ASTI).

Commitment to Training

Kroger spends approximately \$104,000 annually in training among all three locations in this Agreement. The Company will continue to deliver training such as basic plant safety, sexual harassment prevention training, new-hire orientation, and other mandated training outside of this ETP project.

Kroger represents that ETP funds will not displace the existing financial commitment to training. Safety training is provided in accordance with all pertinent requirements under state and federal law.

➤ Training Infrastructure

Kroger has hired a third party to provide administration services and aide with record keeping. Internally, the La Habra Human Resources staff will be responsible for overall administration of the ETP program. Staff will schedule training alongside fellow staff at the Riverside and Compton locations, collect rosters for submission, and maintain all training records.

Green/Clean Operations

Kroger is committed to sustainability and continues to make efforts in green/clean operations. In 2013, more than 90% of waste was diverted from landfills at more than three-fourths of the company's 38 manufacturing plants. The Company also installed LED lighting, ammonia detection systems, and water management software to increase water efficiency.

Other Resources

Kroger is taking advantage of Enterprise Zone hiring tax credits and receives approximately \$9 million dollars.

RECOMMENDATION

Staff recommends approval of this proposal.

DEVELOPMENT SERVICES

Kroger retained The Tax Credit Company in Los Angeles to assist with development of this proposal for a flat fee of \$21,250.

ADMINISTRATIVE SERVICES

Kroger also retained The Tax Credit Company to perform administrative services in connection with this proposal for a fee not to exceed 10% of payment earned.

TRAINING VENDORS

To Be Determined

Exhibit B: Menu Curriculum

Class/Lab Hours

8-200

Trainees may receive any of the following:

BUSINESS SKILLS

- Business Ethics
- Business Writing
- Communication Skills
- Conflict Management
- Identifying Customer Needs
- Interpersonal Skills

COMPUTER SKILLS

- Maintenance Planner Scheduler
- Microsoft Office (Intermediate/Advanced)

CONTINUOUS IMPROVEMENT

- Leadership Skills
- Problem Solving
- Process Improvement
- Project Management
- Six Sigma
- Statistical Process Control

HAZMAT

- 8 Hour Ammonia Response
- 24 Hour Ammonia Response

MANAGEMENT SKILLS (Managers & Supervisors Only)

- Coaching
- Decision Making
- Presentation Skills
- Project Management

MANUFACTURING SKILLS

- Confined Space Training*
- Cross Training
- Electrical Training
- Equipment Operations

- Fall Protection *
- Food Processing Procedures
- Inventory Control
- Ladder Safety*
- Lock Out Tag Out
- Manufacturing Operations
- Production Operations
- Warehousing
- Yard Safety*

OSHA 10/30

- OSHA 10
- OSHA 30

CBT Hours

0-87

MANUFACTURING SKILLS

- AC Control Equipment (3)
- Basic Electricity & Electronics (3)
- Basic Hydraulics (3)
- Basic Mechanics (3)
- Basic Pneumatics (3)
- Batteries and DC Circuits (3)
- Bearings (3)
- DC Equipment & Controls (3)
- Electrical Measuring Instruments (3)
- Electrical Safety in the Workplace (3)*
- Hand Tools (3)
- Industrial Safety & Health (3)*
- Lubricants and Lubrication (3)
- Mathematics in the Plant (3)
- Making Measurements (3)
- Metals in the Plant (3)
- Nonmetals in the Plant (3)
- Piping Systems (3)
- Portable Power Tools (3)
- Power Transmission & Equipment (3)
- Pumps (3)
- Reading Blueprints (3)
- Reading Schematics & Symbols (3)
- Single Phase Motors (3)
- Three Phase Motors (3)
- Transformers & AC Circuits (3)
- Troubleshooting (6)
 - Electrical
 - Hydraulics

*Safety Training cannot exceed 10% of total training hours per-trainee
(This cap does not apply to Hazmat, OSHA 10/30 or HAZWOPER)

Note: Reimbursement for retraining is capped at 200 total training hours per trainee, regardless of the method of delivery. CBT is capped at 50% of total training hours, per trainee excluding OSHA 10/30, HAZWOPER or HAZMAT.

LOCAL NO. 31
Bakery, Confectionery, Tobacco Workers & Grain Millers
• INTERNATIONAL UNION •



PHONE (310) 327-3000
FAX NUMBER (310) 327-6091
450 CARSON PLAZA DR., SUITE #C
CARSON, CA 90746-3299



February 3, 2015

Stewart Knox Executive Director

Employment Training Panel

1100 J. Street 4th Floor

Sacramento California,

Mr. Knox,

This Local Union BCTGM 31 is in support of La Habra Bakery's application for assistance in their Training Program.

We represent approximately 150 workers in this Bakery.

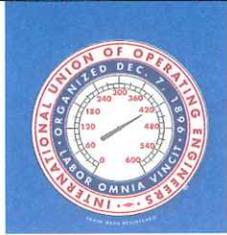
Should you have any questions for me I can I be reached at the above phone number.

Doyle D. Townson

Financial Secretary/Treasurer

BCTGM Local 31

cc: File



EDWARD J. CURLY
BUSINESS MANAGER
Local 501

ET15-0443

February 17, 2015

Mr. Stewart Knox
Executive Director
Employment Training Panel
1100 J. Street, 4th Floor
Sacramento, CA 95814

Dear Mr. Knox,

The International Union of Operating Engineers Local 501 is writing in support of Employment Training Panel funding to be provided to the Kroger Compton Creamery located at 1100 W. Artesia Blvd., Compton, CA 90220-5448 for their Manufacturing Division.

If you should have any questions concerning the above, I can be reached at (213) 385-1561 ext. 147.

Sincerely,

Michael Davis
Business Representative
IUOE LOCAL 501

MD/lc

c: Edward J. Curly



TEAMSTERS, CHAUFFEURS, WAREHOUSEMEN,
INDUSTRIAL & ALLIED WORKERS OF AMERICA
LOCAL UNION No. 166

P.O. BOX 899 • 18597 VALLEY BOULEVARD • BLOOMINGTON, CA 92316-0899
Telephone: (909) 877-TEAM • Fax: (909) 877-2812



MIKE BERGEN
Secretary-Treasurer

February 4, 2015

ET15-0443

MIKE PHARRIS
President

JASON HODGE
Vice President

Mr. Stewart Knox
Executive Director

MANUEL ALANIS
Recording Secretary

Employment Training Panel
1100 J. Street, 4th Floor
Sacramento, CA 95814

DON HENLEY
Trustee

Re: Employee Training Support

DAN HERNANDEZ
Trustee

Dear Mr. Stewart and Panel Members:

ROBERT STANLEY
Trustee

I'm writing on behalf of Teamsters Union Local 166. Our Union represents the employees for Kroger Manufacturing Division of Riverside Creamery Operations. We support the application for training being submitted to the *Employment Training Panel* by this division. We firmly believe the funding will assist our members in upgrading their skills which are critical in maintaining quality products.

Please feel free to contact me regarding this letter of support at 909-877-8326 ext. 231.

Sincerely,

Robert M. Rios
Business Representative Teamsters Union Local 166

CC: Mike Bergen, Secretary-Treasurer Teamsters Union Local 166
Mike Pharris, President/Coordinator Teamsters Union Local 166
Marcos Rojas, H.R., Manager Ralph's/Kroger Riverside Creamery
Sandra Munoz, Human Resources, ASP Ralph's/Kroger Riverside Creamery

Tom



TEAMSTERS LOCAL UNION No. 63

RANDY CAMMACK
SECRETARY-TREASURER

KEN HAARALA
PRESIDENT

Freight, Parcel,
Bakery, Dairy,
Meat, Poultry
and Factory
Workers in the
Los Angeles
Metropolitan
Area.

General Truck
Drivers,
Warehousemen,
and Helpers in
Los Angeles,
San Bernardino,
Riverside
Counties,
California.

Agricultural and
Related Product
Workers in the
California
Counties of San
Diego, Imperial,
Orange,
Alameda,
Los Angeles,
San Bernardino,
Ventura, Santa
Barbara, Kern,
San Luis
Obispo, Tulare,
Kings,
Monterey, San
Benito, Fresno
and Merced.

927 Village Oaks
Drive
Covina, Calif.
91724
(626) 859-4005
FAX
(626) 859-4084

.....
379 W. Valley
Blvd.
Rialto, Calif.
92376
(909) 877-4760
FAX
(909) 877-2452

March 2, 2015

Stewart Knox, Executive Director
Employment Training Panel
1100 J. Street, 4th Floor
Sacramento, CA 95814

Dear Mr. Knox:

I'm writing on behalf of Teamsters Local 63. Our union represents the employees for Kroger Manufacturing Division of Riverside Creamery Operations. We support the application for training being submitted to the Employment Training Panel by this division. We firmly believe the funding will assist our members in upgrading their skills which are critical in maintaining quality products.

Sincerely,

Tony Villegas
Business Representative
Teamsters Local 63

TV/ls



RICK MIDDLETON
SECRETARY-TREASURER

TEAMSTERS LOCAL UNION NO. 572
CHAUFFEURS, SALES DRIVERS AND HELPERS

AFFILIATED WITH THE INTERNATIONAL BROTHERHOOD OF TEAMSTERS

450 E. CARSON PLAZA DRIVE, SUITE A • CARSON, CALIFORNIA 90746-3268 • (310) 515-0601 / FAX (310) 515-0942

March 31, 2015

Brian Broad, Chairperson
Employment Training Panel
1100 J Street, Fourth Floor
Sacramento, CA 95814

Re: Kroger/Ralphs/Food4less: Application for ETP Training

Dear Mr. Broad:

I am writing on behalf of Teamsters Local Unions in Southern California. These Local Unions represent warehouse workers and drivers employed at Kroger/Ralphs/Food4less warehouses. We support the application for training funding submitted to the Employment Training Panel by these companies. We believe that this funding will assist our members to upgrade and improve their skills in an evolving work environment.

Please contact me at the address cited above if you need further information.

Sincerely,

Rick Middleton
Chairman, Southern California Grocery Locals
RM:lbg

RECEIVED
APR 02 2015
LABOR RELATIONS