



Training Proposal for:

La Reina, Inc.

Agreement Number: ET16-0230

Panel Meeting of: November 5, 2015

ETP Regional Office: North Hollywood

Analyst: M. Reeves

PROJECT PROFILE

Contract Attributes:	Retrainee Priority Rate HUA	Industry Sector(s):	Manufacturing Priority Industry: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Counties Served:	Los Angeles, San Bernardino	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: 432	U.S.: 432	Worldwide: 432
<u>Turnover Rate:</u>	5%		
<u>Managers/Supervisors:</u> (% of total trainees)	14%		

FUNDING DETAIL

Program Costs	-	(Substantial Contribution)	(High Earner Reduction)	=	Total ETP Funding
\$145,728		\$0	\$0		\$145,728

In-Kind Contribution:	100% of Total ETP Funding Required	\$161,920
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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 Impr, Mfg Skills	134	8-200	0	\$792	\$15.07
				Weighted Avg: 44			
2	Retrainee HUA Priority Rate	Business Skills, Computer Skills, Continuous Impr, Mfg Skills	50	8-200	0	\$792	\$11.30
				Weighted Avg: 44			

Minimum Wage by County: Job Number 1: \$15.97 per hour for Los Angeles County and \$15.07 per hour for San Bernardino County. Job Number 2 (HUA): \$11.98 per hour for Los Angeles County and \$11.30 per hour for San Bernardino 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 \$2.54 per hour (Job Number 1) and \$0.68 per hour (Job Number 2) may be used to meet the Post-Retention Wage.

Wage Range by Occupation

Occupation Titles	Wage Range	Estimated # of Trainees
Job Number 1		
Administrative Staff		12
Maintenance Staff		16
Materials Staff		24
Production Associate		43
Quality Staff		14
Frontline Supervisor		15
Manager		10
Job Number 2 (HUA)		
Production Associate		50

INTRODUCTION

La Reina, Inc. (La Reina or Company), founded as a family-owned business in 1958 by Mauro Robles, specializes in making flour tortillas. As La Reina (www.lareinainc.com) continued to expand, the Company acquired Anita's Mexican Foods Corp. (Anita's) in 1978. La Reina is a

tortilla manufacturer, while Anita's makes fried tortilla corn chips. Combined, both companies produce a wide variety of flour and corn tortillas, as well as corn chips in different flavors, colors and sizes. La Reina is located in East Los Angeles and Anita's is located in San Bernardino. This proposal will include trainees from both locations.

La Reina offers its own brands for retail and produces private label and customized products for restaurants, retail stores, and commercial food companies. The Company also provides assistance to customers in the design and development of products for the end consumer.

PROJECT DETAILS

La Reina is in the process of expanding to meet an increase in customer demand. The Company is adding new production lines at both the La Reina and Anita's manufacturing plants. The Company plans to invest more than \$1.5 million in new production equipment/technology between 2015 and 2016. In addition, the Company is implementing more electronic controls and reporting procedures that will require extensive training in operations and maintenance.

La Reina's core leadership group has received training on several new food safety requirements related to Good Manufacturing Practices, and it is now looking to extend this knowledge to employees at various levels of the organization. The proposed training will support the Company's efforts to expand by providing needed skills to workers in both the factory and office settings.

Training Plan

The proposed training will primarily focus on the modernization of business systems and procedures. The Company's goals and objectives for this project are to reduce rework by 10%, improve throughput by 10%, improve customer service levels by 15%, and reduce equipment downtime by 20%. Training is expected to begin in early November and will take place at the Company's facilities in Los Angeles and San Bernardino.

Business Skills (4%) – Training will be offered to Administrative Staff, Quality Staff, Frontline Supervisors, and Managers. Training emphasis will be placed on business communication and client servicing skills. This training will teach employees how to establish and maintain a customer-focused approach in the performance of their daily tasks.

Computer Skills (8%) – Training will be offered to Administrative Staff, Materials Staff, and Frontline Supervisors. Trainees will acquire Enterprise Resource Planning (ERP) knowledge and develop the software navigation skills needed to perform their jobs more efficiently. In addition to ERP training, some workers will receive training on Microsoft Office (Intermediate and Advanced) applications to improve front office productivity.

Continuous Improvement (66%) – Training will be offered to all occupations. Training is designed to help the Company reduce costs, errors, inventory levels, and product cycle times. Frontline leadership skills training will be provided to workers identified as potential leaders in the organization.

Manufacturing Skills (22%) – Training will be offered to Production Associates and Maintenance Staff who require a variety of skills to increase quality and production efficiencies. This training is critically important for workers who will be taking on more responsibility as the Company installs new equipment and implements new production methods and procedures.

HUA Wage Modification

All trainees in this proposal work in a High Unemployment Area (HUA) with unemployment exceeding the state average by at least 25%. The Company's locations in the cities of East Los Angeles and San Bernardino qualify for HUA status under these standards.

The Panel may modify the ETP Minimum Wage by up to 25% if post-retention wages exceed the start-of-training wages. La Reina is requesting a wage modification for the 50 Production Associates identified in Job Number 2 only.

Commitment to Training

ETP-funded training will not displace the existing financial commitment to training. La Reina spends approximately \$35,000 on training annually per facility. The Company currently provides new hire orientation training, specific food safety instruction, and OSHA training. Safety training is provided in accordance with all pertinent requirements under state and federal law.

➤ Training Infrastructure

An internal project coordinator will oversee class scheduling and training documentation. In addition, the Company has retained an outside administrative consultant to ensure that all training records adhere to ETP requirements.

RECOMMENDATION

Staff recommends approval of this proposal.

DEVELOPMENT SERVICES

Kirkpatrick Enterprises International (KEI) in Valencia assisted with development of this proposal at no charge.

ADMINISTRATIVE SERVICES

KEI will perform administrative services for a fee not to exceed 10% of payment earned.

TRAINING VENDORS

KEI in Valencia will also provide Continuous Improvement training for an amount to be determined. Other trainers will be identified for ETP record-keeping purposes, as they are retained.

Exhibit B: Menu Curriculum

Class/Lab Hours

8 - 200

Trainees may receive any of the following:

BUSINESS SKILLS

- Business Operations and Procedures
- Business Communication Skills
- Advanced Customer Relationship Skills

COMPUTER SKILLS

- ERP Software and Reporting
- Intermediate and Advanced Microsoft Office

CONTINUOUS IMPROVEMENT

- Lean Manufacturing/6 Sigma
- Total Productive Maintenance
- SPC – Statistical Process Control
- Leadership Skills for Frontline Workers

MANUFACTURING SKILLS

- Production Equipment Usage
- Maintenance Skills
- Food Safety
- GMP (Good Manufacturing Practices)

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

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