



**RETRAINEE - JOB CREATION**

**Training Proposal for:**

**Lancaster.Burns Construction, Inc. dba  
LB Construction, Inc.**

**Agreement Number: ET15-0432**

**Panel Meeting of:** April 24, 2015

**ETP Regional Office:** Sacramento

**Analyst:** L. Fraizer

**PROJECT PROFILE**

Contract Attributes:	Priority Rate Retrainee Job Creation Initiative	Industry Sector(s):	Construction  Priority Industry: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Counties Served:	Placer	Repeat Contractor:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Union(s):	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
Number of Employees in:	CA: 250	U.S.: 250	Worldwide: 250
<u>Turnover Rate:</u>	15%		
<u>Managers/Supervisors:</u> (% of total trainees)	1%		

**FUNDING DETAIL**

Program Costs	-	(Substantial Contribution)	(High Earner Reduction)	=	<b>Total ETP Funding</b>
\$140,280		\$0	\$0		\$140,280

<b>In-Kind Contribution:</b>	<b>100% of Total ETP Funding Required</b>	<b>\$190,280</b>
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**TRAINING PLAN**

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, Commercial Skills, Computer Skills, OSHA 10/30, PL-Comm. Skills	130	8-200	0	\$756	\$15.07
				Weighted Avg: 42			
2	Retrainee Priority Rate Job Creation	Business Skills, Commercial Skills, Computer Skills, OSHA 10/30, PL-Comm. Skills	50	8-200	0	\$840	\$12.33
				Weighted Avg: 42			

**Minimum Wage by County:** Job Number 1: \$15.07 per hour; Job Number 2(Job Creation): \$12.33 per hour for Placer 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

Job Number 1: Up to \$3.32 per hour may be used to meet the Post-Retention Wage; Job Number 2: up to \$1.33 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>		
Administrative Staff		9
Accountant		3
Sales Representative		3
Marketing Representative		4
Customer Service Representative		7
Production Staff		30
Warehouse Staff		14
Technical Staff		14
Engineer		16
Project Coordinator		16
Project Manager		14
<b>Job Number 2</b>		
Administrative Staff		2

Accountant		2
Sales Representative		2
Marketing Representative		2
Customer Service Representative		2
Production Staff		15
Warehouse Staff		4
Technical Staff		6
Engineer		5
Project Coordinator		4
Project Manager		6

## **INTRODUCTION**

Founded in 1991 and headquartered in Roseville, Lancaster. Burns Construction, Inc. dba LB Construction, Inc. (LBC) ([www.lbconstructioninc.com](http://www.lbconstructioninc.com)) fabricates and constructs steel foundations, drywall, rough carpentry, wood, and metal stud install-ready assemblies. Customers include domestic general contractors in the construction industry.

To meet customer demands in a highly competitive industry, LBC is expanding into new markets, developing new products, and upgrading software and technical skills. LBC plans to upgrade its steel fabrication division, maintain Green Leadership in Energy and Environmental Design (LEED) accreditation introduce Computer-Aided Design/Computer-Aided Manufacturing (CAD/CAM) 2012 advancements, and implement continuous improvement techniques. ETP funds will assist the Company in meeting customer demands, remaining competitive, and ensuring project integrity.

### **Need for Training**

This is LBC's second ETP Agreement. Training under the previous agreement focused on Continuous Improvement to reduce production lead-time, scrap and rework. Training also focused on Commercial Skills for the in-house LEED accreditations, and Business Skills. LBC has recently purchased new equipment including: a Hyd-Mech band saw for cutting raw steel; wire feeders for the final assembly of steel structures; and a trucking freightliner that provides direct route delivery to jobsites.

The Company is upgrading its Steel Fabrication division by integrating FabSuite software to combine estimating, drawing and nesting purchases into one system. The Company is also upgrading its Design and Engineering units with special CAD/CAM software for 3D modeling, mold design and machining. In addition, LBC has equipped its shop with the most current tools available in the industry.

Each trainee will receive training not covered in the previous ETP-funded training program with a focus on safety skills, more complex products, computer system upgrades, and new equipment and processes.

### **Retrainee - Job Creation**

LBC's Northern California clients have increased, and the Company is in the process of acquiring industry-specific certifications to maintain critical production methodologies. The newly hired workers need training in state-of-the-art tools and equipment, as discussed earlier.

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

LBC has committed to hiring 50 new employees (Job Number 2). The Company represents that 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. The Company also represents that these trainees will be hired into “net new jobs” as a condition of contract.

## **PROJECT DETAILS**

### **Training Plan**

**Business Skills (25%):** Training will be provided to all occupations and will provide efficiencies of all project aspects from the onset of bidding, to post-installation client services. This will help reduce labor cost and material waste, and provide effective people management.

**Commercial Skills (25%):** Training will be provided to Managers, Production and Technical Staff. Training will help the Company achieve industry certification in American Institute of Steel Construction Certification and meet demands of the growing Los Angeles client base through City of Los Angeles Certification. Advanced assembly, equipment and production training will enable workers to fully utilize the Hyd-Mech Band Saw and wire feeders, reduce scrap, rework and lead-times.

**Computer Skills (15%):** Training will be provided to all occupations and will enable the Company to integrate 3D modeling software applications to support the Steel Fabrication Division. Topics will include PlanGrid, FabSuite and Advanced Microsoft Office.

### **Productive Laboratory-Commercial Skills (35%)**

The Panel recently 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 must be dedicated to training delivery during all hours of training.

According to LBC, Technical, Warehouse, Engineering, Project Management and Coordinators, and Production Staff will need PL-Commercial Skills training to successfully operation of all the equipment in the production process. PL training will provide trainees the proper way to navigate and integrate software upgrades into existing processes, operate equipment, make needed adjustments and perform basic troubleshooting. Certain functions can only be performed in a live setting and are not available in a simulated lab environment. LBC states that trainers are subject matter experts in their field.

LBC is requesting up to 35 hours with a trainer-to-trainee ratio of 1:3. Many of LBC’s projects are large scale and require larger production crews on one project. Installing these large structures requires a crew of at least 4 to 5 employees. This coordinated production process requires a supervisor, someone handling the heavy material with equipment, another rigging the material, and two journeymen putting material into place. Other projects demand crews work in sets of 4 to 5 on different floors or areas working simultaneously. Training 1:1 or 1:2 cannot be done in many of LBC’s production processes due to safety issues and decrease in productivity.

Production is expected to slow down during training, but become more efficient after training is complete. As efficiencies increase, employees will be able to make up for lost production. The trainees’ skills are assessed by ability to perform a function at the onset of training, through observation by the trainer until deemed competent in skills by error free implementation in a live

setting. After training the supervisor observes trainee performance, performs quality control checks and test finished products for tolerances and criteria required.

### **Certified Safety Training**

LBC's clients require employees to obtain certified OSHA training. Certification will assist the Company to meet current bidding requirements and obtain new contracted projects. Key field, project management and administrative employees will be trained to provide clientele with a safe working environment. This also helps LBC mitigate risk and ensure an injury-free work zone.

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 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.

### **Commitment to Training**

LBC currently has an annual training budget of \$50,000, which includes companywide continuous improvement training and employee orientation; job specific training encompasses LEED training, and basic skills for entry level positions.

LBC 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

The Company President and Vice President of Operations, Human Resources Manager, Training Manager, and Departmental Managers who will be responsible for scheduling training, collecting completed rosters and sending to the corporate office. LBC is using Sallyanne Monti Consulting as their contract administrator for the enrollment and tracking of trainee hours.

### **RECOMMENDATION**

Staff recommends approval of this proposal.

### **PRIOR PROJECTS**

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

Agreement No.	Location (City)	Term	Approved Amount	Payment Earned \$ %
ET13-0211	Roseville	11/19/2012- 11/18/2014	\$99,900	\$97,868 (98%)

### **DEVELOPMENT SERVICES**

Sallyanne Monti Consulting in San Francisco assisted with development of this proposal for a flat fee of \$4000.

**ADMINISTRATIVE SERVICES**

Sallyanne Monti Consulting will also perform administrative services in connection with this proposal for a fee not to exceed 13% of payment earned.

**TRAINING VENDORS**

To Be Determined

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

8-200

Trainees may receive any of the following:

**BUSINESS SKILLS**

- Performance Management

**COMMERCIAL SKILLS**

- Advanced Assembly Techniques
- Advanced Production Techniques
- Equipment operations for Upgrades
- Industry Certifications (American Institute of Steel Construction Certification & Los Angeles City Certification)

**COMPUTER SKILLS**

- Computer-Aided Design/Computer-Aided Manufacturing, 3D Modeling, TELKA Structures 20 & ZW3D Software
- Dell PowerEdge R720 File Server
- FabSuite
- Microsoft Office Suite (Intermediate & Advanced)
- PlanGrid Mobil Deployment Software

0-30

**OSHA10/30** (OSHA Certified Instructor)**E-Learning Hours**

8 – 200

**BUSINESS SKILLS**

- Performance Management

**COMMERCIAL SKILLS**

- Advanced Assembly Techniques
- Advanced Production Techniques
- Equipment operations for Upgrades
- Industry Certifications (American Institute of Steel Construction Certification & Los Angeles City Certification)

**COMPUTER SKILLS**

- Computer-Aided Design/Computer-Aided Manufacturing, 3D Modeling, TELKA Structures 20 & ZW3D Software
- Dell PowerEdge R720 File Server
- FabSuite
- Microsoft Office Suite (Healthcare interface & reporting interface)
- PlanGrid Mobil Deployment Software

**Productive Lab**

0 – 35

**COMMERCIAL SKILLS** (Ratio 1:3)

- Conventional Roof Structures & Decking Procedures
- Frame Structural Members & Installation
- Stair Structures Processes
- AWS D1.1 Welding Code Procedures & Fabrication
- Blueprint/Layout Processes
- Paint Application
- Paint and Rust Removal
- Construction Equipment Usage

Safety Training is capped at 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.