



**Retrainee – Job Creation
Training Proposal for:**

Ly Brothers Corporation dba Sugar Bowl Bakery

Agreement Number: ET16-0406

Panel Meeting of: March 25, 2016

ETP Regional Office: San Francisco Bay Area

Analyst: C. Hoover

PROJECT PROFILE

Contract Attributes:	Retrainee Priority Rate	Industry Sector(s):	Manufacturing Priority Industry: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Counties Served:	Alameda	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: 273	U.S.: 273	Worldwide: 273
<u>Turnover Rate:</u>	11%		
<u>Managers/Supervisors:</u> (% of total trainees)	15%		

FUNDING DETAIL

Program Costs	-	(Substantial Contribution)	(High Earner Reduction)	=	Total ETP Funding
\$184,992		\$0	\$0		\$184,992

In-Kind Contribution:	100% of Total ETP Funding Required	\$203,480
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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	Manufacturing Skills, Cont. Improvement, Computer Skills, Business Skills	128	8-200	0	\$1,314	\$17.02
				Weighted Avg: 73			
2	Job Creation Initiative Retrainee Priority Rate	Manufacturing Skills, Cont. Improvement, Computer Skills, Business Skills	7	8-200	0	\$2,400	\$14.19
				Weighted Avg: 120			

Minimum Wage by County: Job Number 1: \$17.02 per hour for Alameda County.

Job Number 2 (Job Creation): \$14.19 per hour for Alameda 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 \$3.39 per hour may be used to meet the Post-Retention Wage in Job Number 1.

Up to \$3.00 per hour may be used to meet the Post-Retention Wage in Job Number 2.

Wage Range by Occupation

Occupation Titles	Wage Range	Estimated # of Trainees
Job Number 1:		
Production/Operators/Sanitation Staff		43
Shift/Department Leads		15
Administrative/Accounting/HR/Payroll Staff		15
Warehouse Staff/Drivers		9
R&D/Purchasing/Buyers/Quality Assurance Staff		15
Maintenance Mechanics		11
Supervisors/Managers		20
Job Number 2:		
Production/Operators/Sanitation Staff		7

*It will be made a condition of contract that the trainees in this Job Number will never be paid less than the State or local minimum wage rate as in effect at the end of retention (Final Payment) regardless of the wage expressed in this table. The highest minimum wage rate will prevail.

INTRODUCTION

Founded in 1984, and headquartered in Hayward, Ly Brothers Corporation dba Sugar Bowl Bakery (Ly Brothers) (www.sugarbowlbakery.com) develops quality baked goods. The Company is now one of the largest bakeries operating in Northern California. Ly Brother's

customers include grocers/supermarket chains (Safeway, Walmart & Krogers), warehouse clubs (Costco & Sam's Club) and food service institutions. The Company's products include Sugar Bowl Bakery's Perfect Madeleines, Petite Palmiers and Petite Brownie Bites.

In effort to cut overhead and keep product prices down, Ly Brothers built a new research and development (R&D) kitchen last year. The Company plans to reconfigure the old R&D kitchen into a Quality Micro Inspection Lab. Currently, all quality micro-testing is outsourced at an average annual cost of \$48,000. With this savings in mind, the Company has invested \$85,000 in new equipment for the lab. ETP funds will be used to train Production Staff on the skills necessary to run the \$85,000 in new equipment the Company invested in to run its new Quality Micro Inspection Lab.

PROJECT DETAILS

Ly Brothers conducted an Engagement Survey of its employees, which improvement was needed in the following areas:

- Increased accuracy with real-time plant-floor data (IQity software system)
- Leaner manufacturing- Kaizen (Lean Six Sigma- LSS, Green Belt, Black Belt)
- Capital investment in technology and equipment (Intermediate/Advance MS Office, Electronic Data Interchange software and portable computers)

Training Plan

Class/Lab training will be delivered as outlined below:

Business Skills (5%): This training will be offered to all occupations. The training will focus on project management, business and operations performance (goalsetting) for the Company's Shift/Department Leads and its Supervisors/Managers. Budgeting and payroll system training will be delivered to its Accounting/Payroll staff as a new payroll system is being implemented. In addition, an Annual Operation Planning (AOP) course will be delivered to its Supervisors/Managers and Purchasing/Buyers staff. Warehouse and Production staff who may be leads will get this training.

Computer Skills (5%): This training will be offered to all occupations. The training will focus on software skills data entry, keyboarding and interface as many of the employees have had minimal exposure to computers. Intermediate and advanced level training on MS Office, software training on Electronic Data Interchange for the Warehouse Staff and IQity software system training for the Production/Operators staff will be delivered.

Manufacturing Skills (50%): This training will be offered to all occupations. Plant operations, equipment training, equipment overhaul, automated numeric control and operating standards will be delivered to Maintenance Mechanics, Production/Operations/Sanitation Staff, Supervisors/Managers, Department Leads, Quality Assurance staff (Q&A) and Warehouse Staff to manage each of the facility's operations. Operating standards will be provided to Administrative Staff for understanding of plant down time for fiscal responsibility.

Continuous Improvement (40%): This training will be offered to all occupations to solve problems, make decisions, lead, communicate, manage daily schedules, and for Safe Quality Food (SQF) Level 3 certification. Training is also intended to improve regulatory reporting, quality control, implement policy and procedural changes as needed. These trainings will be offered to Supervisors/Managers in the areas of coaching, leadership, problem solving, conflict resolution, decision making, train the trainer, and Kaizen (Lean Six Sigma- LSS, Green Belt and Black Belt).

Commitment to Training

ETP funds will not displace the existing financial commitment to training. The Company spends \$25,000 annually on training. It provides orientation, safety, required regulatory and OSHA training to its staff. Safety training is, and will continue to be, provided in accordance with all pertinent requirements under state and federal law.

Ly Brothers mandates OSHA/EPA regulatory safety training. As such, all departments are trained in accordance to OSHA/EPA regulations. All departments receive elective training that includes HR training and New Hire Orientation. Class/Lab, on-the-job training and computer-based training are the training methods used to deliver training for regulatory and HR related trainings. OSHA and EPA training is job-specific, but HR training is company-wide.

➤ Training Infrastructure

The Company's Director of Human Resources (HR) will assign staff department heads to collect training rosters. The HR Director will maintain original rosters in a binder for monitoring and review purposes by ETP. In addition, Ly Brothers has engaged a third-party administrator to assist with administration of this project. Two staff members will be dedicated to scheduling training, ensuring enrollment of trainees, monthly review of training hours and meeting the training plan through ongoing communication with the administrative consultant as well as ETP staff.

Impact/Outcome

Some trainees will be eligible for SQF Level 3 certification at the completion of training in Continuous Improvement.

Retrainee - Job Creation

In support of job creation, the Panel is offering incentives to companies that commit to hiring new employees. Under the Retrainee-Job Creation program, training for newly-hired employees will be reimbursed at a higher rate and trainees will be subject to a lower post-retention wage.

In this proposal, Ly Brothers has committed to hiring seven new employees (Job Number 2). 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.

Ly Brothers is adding new jobs as of January 10th, 2016. Training will lead to formulate a strong career ladder, build an internal succession plan as well as strengthen the Company's capacity company-wide. Ly Brother's management is committed to the delivery of training, working with the Company's production schedules as well as incorporating training into the potential for new product development.

RECOMMENDATION

Staff recommends approval of this proposal.

DEVELOPMENT SERVICES

Ly Brothers retained Training Grants Intelligence, Inc. (TGII) in Suwanee, GA to assist with development of this proposal for no cost. TGII is a specialist within the manufacturing industry. Ly Brothers has contracted for services from this consulate on previous occasions.

ADMINISTRATIVE SERVICES

TGII 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 Hours

8-200

Trainees may receive any of the following:

BUSINESS SKILLS

- ✚ Project Management
- ✚ Payroll System
- ✚ Business and Operations Performance (goalsetting)
- ✚ Annual Operation Planning (AOP)
- ✚ Budgeting

COMPUTER SKILLS

- ✚ Software Skills (data entry/keyboarding/interface)
- ✚ Electronic Data Interchange (software)
- ✚ Intermediate/Advance MS Office
- ✚ IQuity (software system)

CONTINUOUS IMPROVEMENT

- ✚ Problem Solving Team
- ✚ Team Building
- ✚ Six Sigma Tools (managers/supervisors)
- ✚ Lean Six Sigma- LSS (Kaizen initiatives/event)
- ✚ 5S (Kaizen- Sort, Set In Order, Shine, Standardize & Sustain)
- ✚ Team Development
- ✚ Time Management
- ✚ Decision Making
- ✚ Leadership
- ✚ Coaching
- ✚ Collaboration
- ✚ Conflict Resolution
- ✚ Kaizen (Green Belt, Black Belt, Lean Six Sigma- LSS)
- ✚ Train the Trainer
- ✚ Run Right Processes (pre-lean management training)

MANUFACTURING SKILLS

- ✚ Production Operations (food processing, packaging, labeling)
- ✚ Equipment Operation (ovens, oil roaster, case cartoner, vertical filler, weighers, horizontal fillers, robotics, laser sorting, cameral sorting, cannery, palletizing, wrappers, fumigation, heating chambers, bulk storage, sanitation)
- ✚ Reliability Processes (work orders management part management, reporting, preventive maintenance, predictive maintenance, running preventive maintenance, bar code scanning system)
- ✚ Warehouse Barcode System
- ✚ Assembly Procedures (shipper assembly)
- ✚ Inventory Control (work order management and inventory control)
- ✚ Warehousing (shipping and receiving)
- ✚ Quality Testing
- ✚ Forklift Operations
- ✚ GMP's (Good Manufacturing Practices)

- ✚ Quality Systems Assurance (testing, inspection, lab equipment)
- ✚ Cross-Training in Production Skills (packaging, processing, receiving, bulk storage, sorting, maintenance: facilities, electrical, mill wright, mechanical, cannery, sanitation, pest control, crewing)
- ✚ Cross-Training in Management, Warehouse & Production Equipment (ovens, oil roaster, case cartoner, vertical & horizontal fillers, weighers, robotics, laser and cameral sorting, crackers, cannery, palletizing, wrappers, fumigation)
- ✚ Environmental Sustainability/Energy Conservation
- ✚ Safety
- ✚ New Automation Implementation
- ✚ Food Safety Initiatives: SQF (Safe Quality Food), IFS (International Featured Standard), HAACP (Hazard Analysis Critical Control Point)
- ✚ Basic Operator Training (packaging and processing)
- ✚ SCADA (supervisory control and data acquisition) OEE (overall equipment effectiveness)
- ✚ Electrical/Control Systems Training
- ✚ Quality Assurance Testing (micro testing)
- ✚ Packaging Maintenance
- ✚ Safety Stand Downs

Safety Training cannot exceed 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.