



**DELEGATION ORDER**

**Training Proposal for:  
M&G Duravent, Inc.**

**Agreement Number: ET17-0242**

**Approval Date:** September 28, 2016

**ETP Regional Office:** Sacramento

**Analyst:** K. Smiley

**PROJECT PROFILE**

Contract Attributes:	Retrainee Priority Rate Veterans	Industry Sector(s):	Manufacturing  Priority Industry: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Counties Served:	Solano	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: 361	U.S.: 468	Worldwide: 468
Turnover Rate:	19%		
Managers/Supervisors: (% of total trainees)	8%		

**FUNDING DETAIL**

Program Costs	-	(Substantial Contribution)	(High Earner Reduction)	=	<b>Total ETP Funding</b>
\$99,984		\$0	\$0		\$99,984

In-Kind Contribution:	100% of Total ETP Funding Required	\$156,288
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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, Continuous Improvement, Manufacturing Skills, PL- Manufacturing Skills	188	8-200	0	\$522	*\$15.60
				Weighted Avg: 29			
2	Retrainee Priority Rate Veterans	Business Skills, Continuous Improvement, Manufacturing Skills, PL- Manufacturing Skills	3	8-200	0	\$616	*\$15.60
				Weighted Avg: 28			

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

**Minimum Wage by County:** Job Numbers 1 & 2: \$15.60 per hour for Solano 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  
 Trainees in Job Numbers 1 & 2 may use up to \$3.10 per hour to meet the Post-Retention Wage.

Wage Range by Occupation		
Occupation Titles	Wage Range	Estimated # of Trainees
<b>Job Number 1</b>		
Production Staff		110
Maintenance Staff		28
Administrative Staff		20
Engineer		15
Manager		15
<b>Job Number 2 (Veterans)</b>		
Production Staff		3

## **INTRODUCTION**

Founded in 1956 and located in Vacaville, M&G Duravent, Inc. (M&G), a subsidiary of M&G Group, specializes in manufacturing venting systems and HVAC components, distributing to private HVAC companies throughout the US. Training will take place at the Vacaville facility.

## **PROJECT DETAILS**

M&G needs to reduce production waste and improve client satisfaction. M&G has developed a training plan that will focus on increasing production quality, product knowledge and customer service.

Training will focus on the principles of 5S, waste reduction and customer service skills. The 5S system is a system of standards that will encourage production efficiency throughout the facility. Waste reduction training will allow the facility to save on production costs by decreasing errors. Customer service training will allow M&G to provide a better experience for their customers and expand their client base.

### **Training Plan**

**Business Skills** (15%): Training will be provided to all staff to enhance customer service and increase facility efficiencies. Courses will include Production Analysis, Business Operations and Customer Service skills. Training will increase trainee skills and increase promotional opportunities for Production and Administrative Staff.

**Manufacturing Skills** (25%): Training will be provided to Production Staff, Maintenance Staff and Managers to increase production knowledge and efficiency. Courses include Basic Andon Procedures, Stop and Notify and Pull System and Kanban.

**Continuous Improvement** (60%): Training will be offered to all staff to ensure safe and efficient working conditions. Courses include Problem Solving, Continuous Flow and Improving Standardized Work. Training will reduce production waste.

### **Productive Laboratory**

M&G will provide productive lab (PL) training to 100 Production Staff on the operation and troubleshooting of equipment including Swage Machine, Press Punch, Electro-Mechanical Rivet Machine and Resistance Spot Weld Machine. This training will occur at a much slower pace than regular production, resulting in high defects. A subject matter expert will conduct Training. The trainer will first demonstrate how to use the equipment and then supervise trainees using the equipment. The trainer will validate trainee competency after training is completed.

M&G has requested a 1:2 trainer-to-trainee ratio. This is due to trainees working in teams of 2 when working on a machine. PL training will be capped at 10 hours per trainee.

### **Commitment to Training**

M&G has an annual training budget of \$277,000 per facility. Training includes new-hire orientation, staff development, job specific training and safety training.

ETP funds will not displace the Company's 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

M&G has a detailed training plan and six staff members dedicated to administering this project. In addition, M&G has contracted with Integrated Solutions to help with administration. M&G will use a combination of internal and external trainers who are experts in the Manufacturing industry.

### **Veterans Program**

The Panel has established a higher reimbursement rate and other incentives for training California veterans. M&G is committed to hiring and creating promotional opportunities for Veteran Staff. M&G actively recruits veterans.

### **RECOMMENDATION**

Staff recommends approval of this proposal.

### **DEVELOPMENT SERVICES**

M&G retained Integrated Solutions of Redwood City to assist with development of this proposal for a fee of \$3,500.

### **ADMINISTRATIVE SERVICES**

M&G has also retained Integrated Solutions to perform administrative services in connection with this proposal for a fee not to exceed 13% of payment earned.

### **TRAINING VENDORS**

M&G has retained Ydatum Inc. in Danville to provide Lean Manufacturing and Operational Management training services.

**Exhibit B: Menu Curriculum**

**Class/Lab Hours**

8-200 Trainees may receive any of the following:

**BUSINESS SKILLS**

- Production Analysis
- Error Analysis
- Time Management
- Communication
- Reporting Variances
- Business Operations
- Customer Service

**CONTINUOUS IMPROVEMENT**

- Reducing Waste
- Continuous Flow
- Improving Standardized Work
- Problem Solving
- Quality and Compliance
- Quality Management System

**MANUFACTURING SKILLS**

- Basic Andon Procedures
- 5S
- Pull system and Kanban
- Production Safety

**Productive Lab Hours** (Trainer-to-trainee ratio 1:2)

0-10

**MANUFACTURING SKILLS**

- Forklift Training
- Swage Machine Operation and Troubleshooting
- Punch Press Operation
- Electro-Mechanical Rivet Machine Operation
- Resistance Spot Weld Machine Operation

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

Note: Reimbursement for retraining is capped at 200 total hours per-trainee, regardless of method of delivery. PL is capped at 10 hours per-trainee.