



## RETRAINEE - JOB CREATION

**Training Proposal for:**

**Medway Plastics Corporation**

**Agreement Number: ET16-0114**

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

**ETP Regional Office:** North Hollywood

**Analyst:** J. Romero

### PROJECT PROFILE

Contract Attributes:	Retrainee Priority Rate Job Creation Initiative	Industry Sector(s):	Manufacturing  Priority Industry: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
Counties Served:	Los Angeles	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: 117	U.S.: 117	Worldwide: 117	
<u>Turnover Rate:</u>	17%			
<u>Managers/Supervisors:</u> (% of total trainees)	11%			

### FUNDING DETAIL

Program Costs	-	(Substantial Contribution)	=	(High Earner Reduction)	=	<b>Total ETP Funding</b>
\$160,560		\$0		\$0		\$160,560

<b>In-Kind Contribution:</b>	100% of Total ETP Funding Required	\$235,844
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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; HazMat; Mfg Skills	112	8-200	0	\$1,080	\$15.97
				Weighted Avg: 60			
2	Retrainee Priority Rate Job Creation	Business Skills; Computer Skills; Continuous Impr; HazMat; Mfg Skills	33	8-200	0	\$1,200	\$13.31
				Weighted Avg: 60			

**Minimum Wage by County:** \$15.97 per hour for Job Number 1 and \$13.31 per hour for Job Number 2 for Los Angeles 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 \$2.36 per hour may be used to meet the Post-Retention Wage.

**Job #1:**

Wage Range by Occupation		
Occupation Titles	Wage Range	Estimated # of Trainees
Production Worker		89
Administrative Staff		10
Supervisor/Manager		13

**Job #2:**

Wage Range by Occupation		
Occupation Titles	Wage Range	Estimated # of Trainees
Production Worker		19
Administrative Staff		11
Supervisor/Manager		3

**INTRODUCTION**

Founded in 1974, Medway Plastics Corporation (Medway), [www.medwayplastics.com](http://www.medwayplastics.com), a family-owned business located in Long Beach, specializes in custom injection molding, tooling and design. The Company uses recycled plastics to manufacture thermal plastics for various applications such as speaker housings, furniture parts, chair bases, bread trays, and medicine cabinets. Its customers include automotive, aircraft, aerospace, recreation, food service, and construction industries. The Company promotes recycling, using recycled plastics in its

production process and Cogen power plant technology using natural gas as well as recycled cardboard and paper.

## **PROJECT DETAILS**

Medway recently invested \$425,000 in new equipment that includes an industrial machine-based automation, a film extrusion machine, a programming machine and a new VOIP phone system. Training will enable trainees to properly operate these new machines. Medway has also developed new cells or units. These units will use Lean processes to increase efficiency while producing a better product. The goal is to cross-train both current and newly hired employees using the cell group set-up designed by the Company, to accomplish more versatility and efficiency within the Company.

This is Medway's fourth ETP Agreement since 2008. This training plan is a combination of topics covering basic training which will be provided to new employees in Job Number 2 and the addition of new and advanced skills training for both incumbent workers in Job Number 1 and new employees in Job Number 2 as they advance from their basic training. Training will not be duplicated.

### **Retrainee - Job Creation**

Medway has experienced a steady growth in sales and customer demand. The Company has grown from a small business operation of 78 employees to their present size of 117 employees. This business growth is a result of continuous training by the Company with ETP support. Training has produced well-skilled workers who have generated quality products. Medway is projecting increasing sales for the next two years. To support the increase in business capacity, Medway plans to hire and train another 33 employees over the next two years (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. Trainees will be hired into "net new jobs" as a condition of contract.

### **Training Plan**

**Business Skills (25%):** This training will be offered to all occupations. Knowledge of plastics is necessary to understand the different materials that are used during manufacturing. The other courses are related to task and project management, used to increase efficiency and production.

**Computer Skills (30%):** This training will be offered to all occupations. The goal is to elevate all employees' knowledge, skills, and confidence in computers.

**Continuous Improvement (10%):** This training will be offered to all occupations. In the manufacturing industry, product safety and quality control are critical requirements. Therefore, product testing is performed throughout all shifts. Trainees will learn how to be compliant with customer and product specifications. Trainees will also develop better skills in process improvement and efficiency.

**Hazardous Materials (5%):** This training will be offered to Production and Managers and Supervisors. Trainees will be trained on proper handling, disposal, storage and recycling of hydraulic oil.

**Manufacturing Skills (30%):** This training will be offered to all occupations. Training will provide employees with skills to properly operate equipment. Training will also cover Lean

manufacturing processes, material management, inventory control and quality assurance in order to raise product quality.

### **Commitment to Training**

Medway spends approximately \$50,000 annually in training. The Company will continue to provide mandatory and job-specific training during the term of the proposed Agreement, including orientation, sexual harassment prevention and computer-based training, at its own expense. ETP funds will not displace the existing financial commitment to training, and safety training will continue to be provided in accordance with all pertinent requirements under state and federal law.

#### ➤ Training Infrastructure

The Company has qualified trainers in place who will provide training. Medway also retained the services of Training Funding Source (TFS) for project administration. TFS will work with the Company's Human Resources personnel to assist in the enrollment process, training data collection and data entry.

### **RECOMMENDATION**

Staff recommends approval of this proposal.

### **PRIOR PROJECTS**

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

Agreement No.	Location (City)	Term	Approved Amount	Payment Earned \$ %
ET13-0370	Long Beach	05/13/13 - 05/12/15	\$81,430	\$81,430 (100%)
ET12-0111	Long Beach	07/14/11 – 07/13/13	\$49,000	\$49,000 (100%)
ET09-0258	Long Beach	10/27/08 – 10/26/10	\$74,100	\$74,100 (100%)

### **DEVELOPMENT SERVICES**

Medway retained TFS in Seal Beach to assist with development of this proposal for a flat fee of \$9,500.

### **ADMINISTRATIVE SERVICES**

Medway also retained TFS to 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**

- Customer relations
- Frontline Leadership
- Managing Projects
- Plastics Knowledge
- Task Management

**COMPUTER SKILLS**

- Access Database Management System
- ERP(Enterprise Resource Planning)-Software
  - Empower Software
- Microsoft Office
- Pro-E
- Solidworks
- Web Management

**CONTINUOUS IMPROVEMENT**

- Machine Calibrations
- Product Testing
- Process Improvement
- Productivity Improvement
- Quality Improvement
- Six Sigma
- Situational Perception
- Teambuilding

**HAZARDOUS MATERIALS**

- Hydraulic Oil Handling

**MANUFACTURING SKILLS**

- Equipment Operations
- Inventory Control
- Lean Production
- Material Management
- Manufacturing Processes
- Process Documentation
- Quality Assurance
- Reuse-Refurbish
- Sort, Set, Shine, Standardize, Sustain

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.
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