

**DELEGATION ORDER**



**Panel Amendment #2 Proposal for:  
MHM Glass Etching, Inc.  
Agreement Number: ET15-0299**

**Amendment Effective Date:** September 1, 2015

**ETP Regional Office:** San Diego      **Analyst:** S. Godin

**CURRENT PROJECT PROFILE**

Contract Type:	Priority/SB<100 Job Creation	Industry Sector(s):	Manufacturing Services
Counties Served:	San Diego	Repeat Contractor:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Union(s):	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Priority Industry:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Current Contract Term:	October 24, 2014 to October 23, 2016	Substantial Contribution:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

**CURRENT FUNDING**

Current Funding
\$12,480

**AMENDMENT FUNDING**

Requested Funding	Total Funding
+\$10,140	\$22,620

**AMENDMENT 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	Priority Rate SB<100	Business Skills, Commercial Skills, Computer Skills, Cont. Imp.	10	8-120	0	\$1,560	\$15.60
				Weighted Avg: <b>60</b>			
2	Job Creation Priority Rate SB<100	Business Skills, Commercial Skills, Computer Skills, Cont. Imp.	3	8-180	0	\$2,340	\$13.00
				Weighted Avg: <b>90</b>			

**Minimum Wage by County:** Job Number 1: \$15.60 in San Diego County; Job Number 2 (Job Creation): \$13.00 in San Diego 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

Wage Range by Occupation	
Occupation Title	Wage Range
<b>Job Number 1</b>	
Account Rep, Operations Staff, Graphic Designer, Sales Staff	
Production Staff	
Manager, Owner	
<b>Job Number 2</b>	
Graphic Designer	
Account Rep	

**INTRODUCTION**

Formed in 1991 in San Diego, MHM Glass Etching, Inc. (MHM) designs and prints custom labels for wine and champagne bottles and provides custom glass etching, engraving and painting for a variety of glassware.

This project was targeted to train 13 workers in Business, Commercial, Computer and Continuous Improvement Skills. The Agreement was approved through the Delegation Order in October 2014 and training commenced on November 1, 2014.

**AMENDMENT DETAILS**

The Contractor states that once training commenced, it was discovered that the skills and knowledge gaps for its workers were far greater than what had been determined during project development. The majority of the training hours delivered thus far have been in Business Skills

topics. Commercial skills training in Equipment Operation, Maintenance and Troubleshooting, Graphic Design Skills, Glass Etching, Label Making, and Mask Creation techniques have yet to be delivered. In addition, MHM has not delivered any Computer Skills training and very class/lab hours in Continuous Improvement training. MHM needs to deliver additional training hours as detailed in the existing menu curriculum.

MHM states that it has experienced a 30% growth in sales over the past 12 months and recently relocated to a facility four times larger than what the Company previously had. MHM also added two rotary air compressors, an air dehydrator, a new etching machine, a photo booth, and a paint-spray booth. Trainees must be trained on the new equipment.

To date, the Company has tracked eligible training hours equal to 78% (\$9,776) of the total Agreement amount (\$12,480). There are 9 months left to train of the 21-month training period within the 24-month Agreement term. Of the 13 planned trainees, eight trainees have maxed out the current 60-hour cap and a new sales person was recently hired. The remaining trainees are expected to begin training during year two of this Agreement.

In this Amendment, the Company requests additional funding for its trainees to continue to provide its workers with necessary training to remain competitive and continue its business expansion. As such, MHM requests an increase to the maximum training hour cap per trainee, from 8-60 to 8-120 for Job Number 1 trainees with the weighted average increasing from 30 to 60. The range of hours for Job Number 2 trainees (8-180) remains unchanged; however, the weighted average will increase from 60 to 90. The additional training hours will provide skills under various course topics already listed under Business, Commercial, Computer Skills and Continuous Improvement.

The Contractor has requested an Amendment effective date of 9/01/15, the date the revision request was submitted. Approving this request would allow MHM to capture the training hours on the new equipment, that began during the first part of September 2015. This Amendment is for additional Phase I funding (increased weighted average training hours) for the original 13 planned trainees. The total amount of the Agreement will remain under the small business Agreement funding cap.

By this amendment:

- The Agreement amount will increase by \$10,140;
- The maximum range of hours for Job 1 trainees will increase by 60 from 8-60 to 8-120; and the weighted average will increase from 30 to 60;
- The weighted average hours in Job Number 2 will increase by 30, from 60 to 90;
- The average cost per Job Number 1 trainee will increase by \$780, from \$780 to \$1,560; and
- The average cost per Job Number 2 trainee will increase by \$780, from \$1,560 to \$2,340.

## **RECOMMENDATION**

Staff recommends approval of this Amendment.

## **SUMMARY OF PRIOR MODS/AMDS**

Modification No. 1 - Revised the range of hours for Job Number 2 (Job Creation) trainees from 8-60 to 8-180.

**CURRENT CONTRACT PERFORMANCE**

The following table summarizes performance by MHM under the current ETP Agreement:

Agreement No.	Approved Amount	Term	No. Trainees Enrolled	No. Completed Training	No. Retained
ET15-0299	\$12,480	10/24/14 – 10/23/16	8	0	0

Based on ETP Systems, 376 reimbursable hours have been tracked for potential earnings of \$9,776 (78% of approved amount).