

DELEGATION ORDER



**Training Proposal for:
McCarthy Building Companies, Inc.**

Agreement Number: ET16-0474

Approval Date: June 8, 2016

ETP Regional Office: San Diego

Analyst: J. Davey

PROJECT PROFILE

Contract Attributes:	SET Retrainee Priority Rate	Industry Sector(s):	Construction Engineering Green Technology Priority Industry: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Counties Served:	Orange, San Francisco	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: 584	U.S.: 2,238	Worldwide: 2,238
<u>Turnover Rate:</u>	11%		
<u>Managers/Supervisors:</u> (% of total trainees)	N/A		

FUNDING DETAIL

Program Costs	-	(Substantial Contribution)	(High Earner Reduction)	=	Total ETP Funding
\$99,684		\$0	\$0		\$99,684

In-Kind Contribution:	100% of Total ETP Funding Required	\$267,733
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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 SET Priority Rate	Business Skills, Commercial Skills, Computer Skills, OSHA 10	213	8-200	0-10	\$468	\$27.89
				Weighted Avg: 26			

Minimum Wage by County: Job Number 1: \$21.28 Priority Statewide Average Hourly Wage
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
 Although employer provides health benefits, they are not being used to meet Post-Retention Wage.

Wage Range by Occupation		
Occupation Titles	Wage Range	Estimated # of Trainees
Estimator		15
Project Assistant Manager		38
Project Assistant Superintendent		37
Project Engineer		70
Project Scheduler		3
Project Senior Engineer		30
Scheduling Manager		4
Senior Estimator		12
Senior Scheduler		4

INTRODUCTION

Founded in 1864 and headquartered in St. Louis, MO, McCarthy Building Companies, Inc. (McCarthy) provides a wide range of construction services to clients throughout the U.S. (mccarthy.com). Building projects include commercial buildings, industrial structures, schools, and hospitals. In 2002, McCarthy became a 100% employee-owned business.

The Newport Beach and San Francisco locations will participate in this training plan. Each location is involved in multiple phases of construction services: general contracting, management, and design/build.

PROJECT DETAILS

This will be McCarthy’s second proposal. In the prior proposal, McCarthy provided skills training to its frontline workers in a variety of Business, Commercial, and Computer skills related to construction operations and project management. Much of the same skills training will be

offered in this proposal but only for trainees who did not benefit from training in the previous project. Training will not be duplicated.

Training is designed to improve productivity by implementing advanced technologies. Today, construction bids are primarily generated using 3D design/build technology. This technology allows McCarthy to ensure that architectural and building plans adequately reflect how various components of a building's structure work together. This 3D technology also allows McCarthy to more quickly prepare for any potential redesign work that may occur before construction starts. After a bid is won, mobile technology is used throughout the design, scheduling and construction processes. The Company will roll out Apple iPads to most of its construction project staff with Building Information Management, construction management, and project management software installed. The 3D technology and iPads together will improve processes and allow employees to make decisions in real time.

Green/Clean Operations

As a general contractor in the building construction industry, McCarthy has been a leader in creating high-performance, sustainable buildings for many years. As leading sustainable builders, the Company stays abreast of the latest developments to achieve high performance and green building construction goals. Hundreds of McCarthy employees are LEED Accredited Professionals.

Managers/Supervisors

McCarthy reports that the occupations of Project Assistant Manager and Scheduling Manager do not manage employees as part of their job responsibilities. They perform frontline duties and directly interface with clients. Therefore, under SET guidelines, they are eligible to participate in ETP-funded training.

Training Plan

Training will take place at McCarthy's Newport Beach and San Francisco locations, as well as job sites where on-site class/lab facilities are available. Training will be provided by in-house trainers and outside vendors.

Business Skills (35%): Training will be offered to all staff in project development, negotiations, and cost-management analysis. Staff will learn to effectively identify best practices to ensure project success and also reduce uncertainties that occur during transitions from the preconstruction to the construction phase when purchase orders and subcontracts are issued.

Commercial Skills (30%): Training will be offered to all staff. Courses will focus on concrete, layout skills, managing subcontractors, and scheduling. Trainees will learn the skills to deliver better building services for client's projects.

Computer Skills (25%): Training will be offered to all staff and will provide the tools necessary for visual enhancements data and diagrams, reports, and project analysis. Also, training in Oracle software systems will provide the tools to efficiently manage contracting and bonding, paperwork documentation, and payroll. Proficiency in software programs will be enable staff to discover and address potential problems which will ultimately help to control expenses and improve quality management.

Certified Safety Training (5%)

OSHA 10. 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. The coursework is geared to construction work, and also 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. McCarthy will provide OSHA 10 to frontline workers. Some field staff will need OSHA 10 to meet federal and state contracting requirements.

Computer-Based Training (5%)

Up to 10 hours of ancillary CBT will be provided to all staff to supplement training provided in the classroom. Training will be provided in Business, Commercial and Computer Skills.

Commitment to Training

McCarthy spends \$530,680 annually on training at its California facilities. The Company has conducted the following training in the past: company orientation, safety training, job-specific training, state mandated training for new staff, California labor laws and regulations, anti-harassment training for supervisor level and above, and others as-needed training.

ETP funds will not displace the 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

McCarthy has dedicated administrative staff at each location to help with administration and a dedicated project administrator to oversee all aspects of scheduling, recordkeeping, and other administrative duties. The administrator is located at the Newport Beach facility where records will be kept.

LMS Recordkeeping

Staff has reviewed and approved the use of a Learning Management System for recordkeeping.

RECOMMENDATION

Staff recommends approval of this proposal.

PRIOR PROJECTS

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

Agreement No.	Location (City)	Term	Approved Amount	Payment Earned \$ %
ET14-0109	Statewide	08/05/2013– 08/04/2015	\$143,280	\$28,671 (20%)

McCarthy reports that the major reason for poor performance was poor internal communication between the project administrator and the other offices, sites, and trainers, regarding administrative details of the

ETP program and how ETP-funded training worked. McCarthy provides extensive company training to its employees with an emphasis on safety. The administrator did not adequately differentiate for internal trainers and managers the difference between company training which is not reimbursed by ETP and ETP-funded training which is reimbursable. In addition, the original administrator retired during the term of the Agreement, complicating the transfer of administrative responsibilities. McCarthy continued to provide training; however, it was not documented/recorded and, therefore, not reimbursable by ETP. For this new proposal, the Company has a dedicated project manager and administrative staff to be responsible for project administration.

The new project administrator has developed a plan to remedy deficiencies in the administrative practices in the previous project. Training administrators will meet with managers and trainers throughout the year to carefully construct a training plan for their needs. Training administrators, managers, and trainers now have clear contacts and understand what documentation must be submitted after every meeting, and what training topics qualify for ETP reimbursement. The training administrator will identify what constitutes qualified, reimbursable training. At a jobsite level, there is constant communication between field staff and administrative oversight to ensure training delivery. Because only one ultimate point of contact has been established for both regions (northern and southern California), training information and rosters will be easily managed and processed through the Company's LMS, ensuring proper tracking of training.

The Company also has a plan for internal communication and updates to resolve any issues before they become problematic and drastically improve program performance:

- Presenting progress reports of ETP training to Director and VP;
- Presenting training progress updates at group meetings;
- Presenting training progress reports at biannual, region-wide shareholder seminars;
- Communicating new and upcoming trainings via monthly e-mails and newsletters; and,
- Reviewing training rosters and addressing unexcused absences for various trainings with upper management.

DEVELOPMENT SERVICES

N/A

ADMINISTRATIVE SERVICES

N/A

TRAINING VENDORS

To Be Determined

Exhibit B: Menu Curriculum

Class/Lab Hours

8-200

Trainees may receive any of the following:

BUSINESS SKILLS

- ✚ Basic Legal
- ✚ Basic Presentation Skills
- ✚ BIM Addendums
- ✚ Builders Risk
- ✚ Business Writing
- ✚ Client Presentation Skills
- ✚ Conflict Management
- ✚ Construction Finance
- ✚ Customer Application for Payment
- ✚ Customer Relations
- ✚ Decision Making
- ✚ Developing New Opportunities
- ✚ Emotional Intelligence
- ✚ Genuine Collaboration
- ✚ Professional Services (Consultant Agreements)
- ✚ Communicating with Influence and Persuasion
- ✚ Insurable Risk
- ✚ Managing Builders Risk through Oracle
- ✚ Managing MEP (Mechanical, Electrical, Plumbing) Contractors
- ✚ Material Tolerances
- ✚ Maximizing Profits
- ✚ McCarthy Communicators (Public Speaking)
- ✚ Non-Insurable Risk
- ✚ Owning the Business Deal
- ✚ P6 Scheduling
- ✚ Planning
- ✚ Productivity
- ✚ Project Startup
- ✚ Revenue Projection Spreadsheet
- ✚ Site Logistics
- ✚ Subcontractor Buyout (Bid and RFP Evaluations)
- ✚ Subcontractor Management and Default
- ✚ Subcontractor Prequalification and CDI Management
- ✚ Subcontractor Prequalification and Financial Statements
- ✚ VisualStory (Brainstorming)

COMMERCIAL SKILLS

- ✚ Basic Elevation and Transit
- ✚ Building Systems
- ✚ Concrete
- ✚ Dust Control
- ✚ First Installation Inspections
- ✚ Layout Skills

- + Managing Defaulted Subcontractors
- + Managing Subcontractors
- + Material Tolerances
- + MEP (Mechanical, Electrical, Plumbing)
- + Profit Projections
- + Scheduling
- + Site Logistics

COMPUTER SKILLS

- + BlueBeam
- + Building a Project Schedule in Microsoft® Project 2010
- + Knowledge Builder
- + Microsoft Office – Intermediate/Advanced
- + Navisworks
- + OneNote
- + Revit
- + Sketchup
- + Teamsight
- + Oracle PA
- + BIM 360 Field
- + BIM Awareness ILT
- + BIM Bootcamp

OSHA 10 (OSHA certified instructor)

- + OSHA 10 (requires completion of full 10-hour course)

CBT Hours

0–10

BUSINESS SKILLS

- + Change Orders – 2 hours, 30 minutes
- + Commissioning – 2 hours
- + Documentation – 15 minutes
- + Timekeeping – 1 hour, 10 minutes
- + Why Finance Matters – 10 hours
- + Scheduling – 30 minutes
- + Subcontractor Prequalification and Financial Statements – 1 hour

COMMERCIAL SKILLS

- + Flooring Coordination Demo – 1 hour
- + Job Cost – 2 hours, 15 minutes
- + Labor Cost and Productivity – 1 hour, 15 minutes
- + Managing Subcontractors – 45 minutes
- + On-Site Renewable Energy – 1 hour
- + Planning – 30 minutes
- + Productivity – 30 minutes
- + Project Startup – 45 minutes
- + Records Management – 20 minutes
- + Roofing Essentials – 1 hour
- + Shared Folders – 30 minutes

COMPUTER SKILLS

-  BIM Awareness – 30 minutes
-  BIM 360 Field – 3 hours
-  BIM 360 Glue – 2 hours
-  BlueBeam Uses at McCarthy – 1 hour
-  Email Archive – 20 minutes
-  Email Etiquette – 30 minutes
-  Navisworks – 2 hours
-  Revit – 2 hours
-  Sketchup – 2 hours
-  Stormwater Management – 1 hour

Note: Reimbursement for retraining is capped at 60 total training hours per-trainee, regardless of method of delivery. CBT is capped at 50% of total training hours, per-trainee.