

DELEGATION ORDER



Training Proposal for:

Moldex-Metric, Inc.

Agreement Number: ET15-0343

Approval Date: December 4, 2014

ETP Regional Office: North Hollywood

Analyst: M. Reeves

PROJECT PROFILE

Contract Attributes:	Retrainee Priority Rate	Industry Sector(s):	Manufacturing Priority Industry: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Counties Served:	Los Angeles	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: 268	U.S.: 289	Worldwide: 473
<u>Turnover Rate:</u>	12%		
<u>Managers/Supervisors:</u> (% of total trainees)	10%		

FUNDING DETAIL

Program Costs	-	(Substantial Contribution)	(High Earner Reduction)	=	Total ETP Funding
\$96,480		\$0	\$0		\$96,480

In-Kind Contribution:	100% of Total ETP Funding Required	\$112,560
------------------------------	------------------------------------	-----------

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 Imp., Mfg. Skills	134	8-200	0	\$720	\$16.04
				Weighted Avg: 40			

Minimum Wage by County: \$16.04 per hour 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 \$2.79 per hour may be used to meet the Post-Retention Wage.

Wage Range by Occupation

Occupation Titles	Wage Range	Estimated # of Trainees
Administrative Staff		22
Operations Support Staff		15
Engineering Staff		12
Production/Maintenance Staff		71
Manager/Supervisor		14

INTRODUCTION

Moldex-Metric, Inc. (Moldex) (www.moldex.com) is a manufacturer of hearing and respiratory protection products. The Company's products include disposable and reusable ear plugs and respirators. These products are specifically designed and engineered for industrial worker safety where respiratory and hearing protection is necessary.

With competitors such as 3M and Honeywell, the Company must continually improve its operations and bring new products to market to remain competitive. Moldex is taking steps to increase its organizational flexibility and the following objectives are driving the current need for training:

- Implement new proprietary product lines,
- Cross-train employees for multiple production functions,
- Implement Lean process improvement techniques,
- Improve overall customer service and response time.

The proposed training will also support the Company's plans to automate its existing product lines. In addition to purchasing new and/or modifying existing production equipment, this automation shift will include adding a Bar Coding System to help manage inventory and provide smoother lot control. The Company's goal is to have these planned improvements in place by the end of the second quarter of 2015.

Moldex has two major product groups: Ear Protection and Respiratory Protection. Currently, employees typically learn one sub-production area within a major product group. In order to increase productivity and flexibility, the Company plans to cross-train employees to different functions, enabling Moldex to be more efficient at meeting customer demand.

Moldex has several client companies that have adopted the Lean logic of carrying fewer inventories; therefore, the Company must increase its response time to customer orders. The proposed Lean Manufacturing training is designed to reduce product cycle time through improved supply chain management.

PROJECT DETAILS

Training Plan

Business Skills (6%) – Training will be offered to Managers, Administration and Engineering Staff. This training will focus on improving communication with customers and reducing project lead times.

Computer Skills (8%) – Training will be offered to Administration Staff and Operations Support Staff. This training is designed to help workers become more proficient in the use of the Company's enterprise resource planning (ERP) system. In addition to ERP training, some workers will receive training on Microsoft Office (Intermediate and Advanced) applications to improve front office productivity.

Continuous Improvement (32%) – Training will be offered to all occupations. The Company will be implementing Lean concepts to reduce waste in its operations by standardizing work, resolving process issues, and reducing throughput times.

Manufacturing Skills (54%) – Training will be offered to Production/Maintenance Staff. This training will equip workers with the skills and knowledge to operate and maintain equipment (Molding machines and Pouch machines), ensure product quality, and decrease product development time.

Commitment to Training

Moldex spends approximately \$50,000 annually on training. The Company currently provides new hire orientation and some on-the-job training. Safety training is provided in accordance with all pertinent requirements under state and federal law.

➤ Training Infrastructure

An internal project coordinator will oversee class scheduling and training documentation. In addition, the Company has retained an outside administrative consultant to ensure that all training records adhere to ETP requirements.

RECOMMENDATION

Staff recommends approval of this proposal.

DEVELOPMENT SERVICES

Kirkpatrick Enterprises International (KEI) in Valencia assisted with development of this proposal at no charge.

ADMINISTRATIVE SERVICES

KEI will perform administrative services for a fee not to exceed 10% of payment earned.

TRAINING VENDORS

KEI will also provide Continuous Improvement training for an amount to be determined.

Exhibit B: Menu Curriculum

Class/Lab Hours

8-200

Trainees may receive any of the following:

BUSINESS SKILLS

- Business Communication Skills
- Project Management
- Advanced Customer Relationship Skills

COMPUTER SKILLS

- System Networking and Controls
- Intermediate and Advanced Microsoft Office
- Enterprise Resource Planning (ERP)

CONTINUOUS IMPROVEMENT

- Lean Manufacturing/6 Sigma
- Total Productive Maintenance
- Leadership Skills for Frontline Workers
- Problem Identification and Resolution

MANUFACTURING SKILLS

- Production Equipment Usage
- Equipment Maintenance Skills

Note: Reimbursement for retraining is capped at 200 total training hours per trainee, regardless of the method of delivery.