



**Amendment Proposal #2 for:
Murrieta Chamber of Commerce
Agreement Number: ET16-0161**

Amendment Effective Date: August 29, 2016

Panel Meeting of: August 26, 2016

ETP Regional Office: San Diego

Analyst: K. Campion

CURRENT PROJECT PROFILE

<p>Contract Type: Priority Retrainee SB<100 HUA</p> <p>Counties Served: Riverside, San Bernardino, San Diego, Orange, Los Angeles</p> <p>Union(s): <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p>	<p>Industry Sector(s): Manufacturing Goods Movement Transportation/Logistics</p> <p>Repeat Contractor: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>Priority Industry: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p>
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Current Contract Term: September 28, 2015 to September 27, 2017

Current Funding	In-Kind Contribution
\$188,466	\$202,000

AMENDMENT FUNDING

Requested Funding	Support Costs	Amendment Funding	In-Kind Contribution
+\$188,400	+\$13,060	+\$201,460	+\$212,000

Total Funding
\$389,926

AMENDMENT TRAINING PLAN TABLE

Job No.	Job Description (By Contract Type)	Type of Training	Estimate d No. of Trainees	Range of Hours		Average Cost per Trainee	Post-Retention Wage
				Class / Lab	CBT		
1	Priority Retrainee	Business Skills, Computer Skills, Cont. Imp., Mfg. Skills, OSHA 10/30	149	8-200	0	\$654	\$15.07
				Weighted Avg: 34			
2	Retrainee	Business Skills, Computer Skills, Cont. Imp., Mfg. Skills, OSHA 10/30	18	8-200	0	\$545	\$15.07
				Weighted Avg: 34			
3	SB<100 Priority Retrainee	Business Skills, Computer Skills, Cont. Imp., Mfg. Skills, OSHA 10/30	74	8-200	0	\$945	\$15.07
				Weighted Avg: 34			
4	Retrainee SB<100	Business Skills, Computer Skills, Cont. Imp., Mfg. Skills, OSHA 10/30	20	8-200	0	\$564	\$15.07
				Weighted Avg: 24			
5	Priority Retrainee	Business Skills, Computer Skills, Cont. Imp., Mfg. Skills, OSHA 10/30	110	8-200	0	\$770	*\$15.60
				Weighted Avg: 40			
6	Priority SB<100 Retrainee	Business Skills, Computer Skills, Cont. Imp., Mfg. Skills, OSHA 10/30	105	8-200	0	\$1,112	*\$15.60
				Weighted Avg: 40			

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

Minimum Wage by County: Job Numbers 1-4: \$15.07 per hour for Riverside and San Bernardino Counties; \$15.93 per hour for San Diego County; \$15.97 per hour for Los Angeles County; and \$16.02 per hour for Orange County; **Job Numbers 5-6: \$15.60 per hour for Riverside and San Bernardino Counties; \$16.46 per hour in San Diego County; \$16.48 per hour in Los Angeles County; and \$16.51 per hour in Orange 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

Participating employers may use health benefits to meet the Post-Retention Wage.

Wage Range by Occupation	
Occupation Title	Wage Range
Job Numbers 1 - 4	
Administration Staff	
Operator I	
Operator 2	
Production Worker 1	
Production Worker 2	
Lead	
Technician	
Engineer	
Supervisor	
Manager	
Owner (Job Numbers 3 & 4 Only)	
Job Numbers 5 - 6	
Administration Staff	
Operator I	
Operator 2	
Production Worker 1	
Production Worker 2	
Lead	
Technician	
Engineer	
Supervisor	
Manager	
Owner (Job Number 6 only)	

INTRODUCTION

Founded in 1915 and located in Southwest Riverside County, the Murrieta Chamber of Commerce (Murrieta Chamber) is a nonprofit membership organization comprised of 850 members within the region. Its mission is to create and foster a sustainable business environment through networking, promotion and advocacy, and to assist small businesses to grow and achieve their goals through education and mentorship. The Murrieta Chamber works in partnership with the City of Murrieta and other Chambers in Southwest Riverside County that form the Southwest California Legislative Council.

The Agreement was approved at the September 2015 Panel meeting and training commenced October 1, 2015. It focuses on training some 250 workers from priority and non-priority industries, small and large businesses in Southern California.

AMENDMENT DETAILS/EMPLOYER DEMAND

Murrieta Chamber reports that 233 retrainees have started training to date, from nine priority-industry employers (five SB). Murrieta Chamber has documented the delivery of training hours

sufficient to support payment earned at 90% of the Agreement amount. More employers are requesting training, but there is not enough funding available to meet this demand. Additionally, at least two employers who already participated are requesting more training. The increases demand is all Priority Industry.

Therefore, Murrieta Chamber requests Phase II under new Job Number 5 (large employers) and Job Number 6 (Small Businesses). ETP staff verified that there is an immediate training demand to support this request and that there is sufficient time remaining in the term of contract for delivery (six-month training period, three-month retention period).

The Curriculum will not change, and will remain as originally approved for: Continuous Improvement (Process Mapping, Quality Engineering, Lean and Six Sigma); and Business Skills (Customer Service, Leadership). All training will continue to be customized based on individual employer assessments.

Phase II training will begin upon Panel approval. As amended, the contract will still be within the FY 2015/16 funding limitations and the Phase II job numbers will have post-retention wages consistent with the 2016 calendar year. Any trainees who participated under Phase I will complete a 90-day retention period prior to being enrolled in a Phase II Job Number. No trainee will receive more than 200 training hours per person regardless if the trainee has participated under both Phase I and Phase II.

Employer Core Group/Support Costs

The Phase II core group of participating employers consists of four priority-industry Small Businesses and one large business. These employers have not previously participated. Additionally, there are 2 - 4 employers who have expressed a need for additional training under this Agreement. As such, the employer demand represents at least 80% of the requested Phase II training. Murrieta Chamber will continue to recruit employers and assess employer-specific job training requirements throughout the term of the project; the goal is to focus on priority industries and small businesses. Due to the intensive outreach efforts required to market the program, Murrieta Chamber requests and ETP staff recommends 8% support costs.

MEC Broker Model - Training Vendors

This Agreement was approved in September 2015, prior to the Panel's adoption of the MEC Broker Model policy. At that time, Murrieta Chamber retained one training vendor to provide training: Custom Corporate Communications (C3) of Redondo Beach. This vendor provided all training under Phase I for approximately \$151,390.

Under Phase II, in order to comply with the Panel's new policy, Murrieta Chamber represents that no more than 45% of the training hours will be delivered by C3, for approximately \$73,722. The remaining 55% of the training will be provided by private, independent trainers yet to be identified. This representation will be made a condition of contract.

Summary of Amendment Changes:

1. Add Phase II of training;
2. Increase the Agreement amount by \$201,460 (from \$188,466 to \$389,926);
3. Increase the average number of trainees by 215 (from 261 to 476) in Job Numbers 5-6.

RECOMMENDATION

Staff recommends approval of this Amendment.

SUMMARIZE PRIOR MODS/AMENDS

Modification No. 1 redistributed fund/trainees from Job Number 3 to Job Number 1, which:

- Reduced the Agreement amount from \$188,985 to \$188,466; and
- Increased the total average number of trainees from 248 to 261;

CURRENT CONTRACT PERFORMANCE

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

Agreement No.	Approved Amount	Term	No. Trainees (Average)	No. Completed Training	No. Retained
ET16-0161	\$188,466	9/28/15 – 9/27/17	261	126	126

As of 7/19/16, the ETP tracking system reflects that Murrieta Chamber has documented 7,665 reimbursable training hours for 229 trainees, a potential earning of \$169,371 (90% of the Agreement amount). Of the 229 active trainees, 126 have completed training and the 90-day retention period.

TRAINING VENDORS

Custom Corporate Communications in Redondo Beach will provide Continuous Improvement and Business Skills training for a flat amount of \$73,722 under Phase II. Other training vendors will be identified as needed during the term of the Agreement.

**Participating Employers in Retrainee
Multiple Employer Contracts**

Contractor's Name: Murrieta Chamber of Commerce

CCG No.: ET16-0161

Reference No: 15-0293

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PRINT OR TYPE IN ALPHABETICAL ORDER

Company: BTL Machine

Address: 1168 Sherborn St.

City, State, Zip: Corona, CA 92879

Collective Bargaining Agreement(s): N/A

Estimated # of employees to be retrained under this Agreement: 20

Total # of full-time company employees worldwide: 70

Total # of full-time company employees in California: 70

Company: Hanger 24 Craft Brewery LLC

Address: 1710 Sessums Dr.

City, State, Zip: Redlands, CA 92374

Collective Bargaining Agreement(s): N/A

Estimated # of employees to be retrained under this Agreement: 40

Total # of full-time company employees worldwide: 109

Total # of full-time company employees in California: 109

Company: OC Metals

Address: 2720 S. Main St., Ste. B

City, State, Zip: Santa Ana, CA 92707

Collective Bargaining Agreement(s): N/A

Estimated # of employees to be retrained under this Agreement: 15

Total # of full-time company employees worldwide: 22

Total # of full-time company employees in California: 22

Company: Price Products

Address: 106 State Place

City, State, Zip: Escondido, CA 92029

Collective Bargaining Agreement(s): N/A

Estimated # of employees to be retrained under this Agreement: 20

Total # of full-time company employees worldwide: 35

Total # of full-time company employees in California: 35

**Participating Employers in Retrainee
Multiple Employer Contracts**

Contractor's Name: Murrieta Chamber of Commerce

CCG No.: ET16-0161

Reference No: 15-0293

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Company: West Coast Corporation

Address: 4245 Pacific Privado

City, State, Zip: Ontario, CA 91761

Collective Bargaining Agreement(s): N/A

Estimated # of employees to be retrained under this Agreement: 20

Total # of full-time company employees worldwide: 38

Total # of full-time company employees in California: 37