



**Retrainee - Job Creation
Training Proposal for:
Natomas Auto Body & Paint, Inc.**

Small Business ≤ \$50,000

ET15-0395

Approval Date: February 23, 2015

ETP Regional Office: Sacramento

Analyst: M. Mazzone

CONTRACTOR

- Type of Industry: Services

- Priority Industry: Yes No

- Number of Full-Time Employees
 - California: 60
 - Worldwide: 60
 - Number to be trained: 40
 - Owner Yes No

- Out-of-State Competition: No OSC
- Special Employment Training (SET): Yes No
- High Unemployment Area (HUA): Yes No
- Turnover Rate: 9%
- Repeat Contractor: Yes No

FUNDING

- Requested Amount: \$40,920
- In-Kind Contribution: \$40,112

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 SB <100	Business Skills, Commercial Skills, Computer Skills, Continuous Impv., HazMat, PL - Commercial Skills	16	8-60	0	\$990	\$27.40
				Weighted Avg: 45			
2	Retrainee SET SB<100 HUA	Business Skills, Commercial Skills, Computer Skills, Continuous Impv., HazMat, PL - Commercial Skills	20	8-60	0	\$1,056	\$14.15
				Weighted Avg: 48			
3	Retrainee Job Creation Initiative SET SB<100 HUA	Business Skills, Commercial Skills, Computer Skills, Continuous Impv., HazMat, PL - Commercial Skills	4	8-60	0	\$990	\$14.00
				Weighted Ave: 45			

- Reimbursement Rate: Job #'s 1-3: \$22 SB Non-Priority
- County(ies): Sacramento, Sutter
- Occupations to be Trained: Administrative Staff, Sales Staff, Support Staff, Estimator, Technician, Manager
- Union Representation: Yes
 No
- Health Benefits: Job #'s 1 & 2: \$2.15 per hour

SUBCONTRACTORS

- Development Services: Synergy Management Consultants, LLC in Grass Valley assisted with development of this project for a flat fee of \$3,400.
- Administrative Services: Synergy Management Consultants, LLC will also provide administrative services for a fee not to exceed 13% of payment earned.
- Training Vendors: To Be Determined

INTRODUCTION

Founded in 1995 in Sacramento, Natomas Auto Body & Paint, Inc. (Natomas Auto Body) (<http://natomasautobody.com/>) is a full service automotive repair center. The Company specializes in collision repair services for Lexus, BMW, Ford, Toyota, Honda, Chevrolet and other major brands. Services include repairing the vehicle internally, externally and mechanically to its pre-accident condition. Natomas Auto Body also sells parts and accessories necessary to complete such repairs.

Due to consumer demand, a second collision repair location was opened in Sacramento in 2004 and a third location was opened in Yuba City in 2010. The collision repair services are utilized by consumers located in the Sacramento and Yuba City vicinities. Proposed training will take place at all three locations.

Need for Training

Natomas Auto Body has developed an aggressive growth strategy to expand their business by 20% over the next 24 months. To grow the business Natomas Auto Body must have repair staff who are Inter-Industry Conference on Collision Auto Repair (I-CAR) and Automotive Service Excellence (ASE) certified for all automotive brands. The proper certifications will enable more referrals from insurance companies.

Technicians and Estimators will be trained to become I-CAR and ASE certified to service new vehicle brands such as Tesla, Ford Aluminum, Nissan, Infinity and Mercedes. In addition, Natomas Auto Body's staff requires training on industry changes. The automotive collision repair industry has transformed in recent years as vehicles are being produced using different materials including: aluminum, boron, ultra high strength steel and composites. As such, technicians are required to use new repair methods equipment. Support Staff and Estimators also require updating of their skills to include these new vehicle materials and repair methods.

Natomas Auto Body will also deliver training on customer service skills, updated operating procedures, marketing skills, sales skills, computer software skills and Lean concepts.

Job Creation

Within the next few months Natomas Auto Body expects to begin servicing claims from new insurance referrals. At this time, the location in Yuba City is in negotiations with Farmers Insurance. In addition, a recent change in Yuba City's contract with Progressive Insurance has increased shop sales by 20%. The Sacramento locations expect growth as well, through ongoing negotiations with State Farm Insurance.

To support their growth plan, Natomas Auto Body is expecting to increase the number of full time permanent employees. The Company has created new positions in their Yuba City and Sacramento locations and have committed to hiring four new full time employees (Job Number 3). The new positions will fill needs in the Technician, Estimator, Administrative Staff and Sales Staff occupations.

The Panel offers incentives to companies that commit to hiring new employees - Trainees will be subject to a lower post-retention wage. The Company represents that 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. The Company also represents that these trainees will be hired into "net new jobs" as a condition of contract.

Training Plan

Trainees will receive between 8–60 hours of classroom/laboratory training and may receive between 0–18 hours of productive laboratory training.

Business Skills – Training will be offered to Administrative Staff, Sales Staff, Estimators and Managers. The training will focus on customer care skills, advanced sales, marketing skills and communication skills to improve overall customer satisfaction and increase sales. Training topics will include Customer Retention, Customer Relationship Building, Sales Procedures and Strategies, Prospecting and Closing, Negotiation Skills, and Presentation Skills.

Commercial Skills – Training will be provided to Technicians, Estimators, Managers, Sales Staff and Support Staff. Training topics will include I-CAR Collision Repair Certification; Refinishing Skills – Vehicle Priming and Sealing, Corrosion Protection Process and Blending Techniques; Structural Repair Skills – Three Dimensional Measuring, High Strength Steels, Aluminum Repair Process, MIG Welding and Straightening Structural Damage; Non-Structural Vehicle Repair Skills – Adhesive Bonding, Diagnose Wind Noise and Water Leaks and Spot Welding; and Estimating Skills – Steering and Suspension System Damage Analysis, Electrical/Mechanical Systems, Advanced Materials and Stationary Glass.

Computer Skills – Training will be provided to all occupations and will focus on job specific software programs. The collision repair industry is in process of transitioning to a paperless environment and staff will receive training in all necessary software programs to properly exchange data with insurers and other partners. Training topics will include CCC One Software, Michell & Michell Repair Center Software and Alldata Software. Training will be delivered by in-house staff.

Continuous Improvement – Training will be provided to Technicians, Estimators, Support Staff and Managers to improve efficiencies and to reduce waste. A lean quality and production improvement system is being instituted by Natomas Auto Body and efficiencies are expected to increase by fifteen percent with training. Training topics will include Root Cause Analysis, Lean Concepts, Kaizen Event Strategy and Implementation, Problem Solving and Decision Making, and Inventory Control.

Hazardous Materials – Training will be provided to Technicians, Estimators and Managers to ensure that hazardous materials are handled and disposed of properly. Training topics will include course topics such as: Volatile Organic Compound Training, Emergency Clean-up, and Registration, Evaluation, Authorization, and Restriction of Chemical Substances.

Productive Lab (PL) (Commercial Skills) – PL training will be provided to Technicians and Estimators to supplement Class/Lab training. The delivery of PL training is necessary as trainees will be given real life projects to perform work on. This training will strengthen their understanding of how to complete automotive collision repair services. Training will include course topics that require the technicians' skills to be updated. Estimators' PL training will focus on the correct diagnosis of damage and properly working through the documentation, insurance and pricing processes.

Trainees will use the following equipment in PL training: resistance spot welder, mig (metal inert gas) welder, frame rack and measuring system, paint spray guns, paint spray booths, and various hand tools. Staff will be trained on welding of structural parts, aluminum repair, glass replacement, plastic repair, and system diagnostics and repair. All PL training will take place onsite at Natomas Auto Body and the trainer-to-trainee ratio for all PL training will be 1:1. Technicians will receive between 0–18 hours of PL training and Estimators will receive between 0–4 hours of PL training.

PL training will consist of a normal collision repair duties where the trainer will walk the trainee through the repair process. The trainer will observe the trainee complete the repair and will offer coaching and mentoring throughout the process. During the PL training, output is expected to decrease by 25-30%. Trainers will be journey level Technicians or Estimators who are considered to be subject matter experts. After the successful completion of a PL training course, the trainer will sign off that the trainee is competent.

High Unemployment Area

All trainees in Job Number 2 work in a High Unemployment Area (HUA), with unemployment exceeding the state average by at least 25%. The Company's location in Yuba County qualifies for HUA status under these standards. Natomas Auto Body is requesting a wage modification to \$12.00 per hour to allow training for 20 trainees in Job Number 2.

RECOMMENDATION

Staff recommends approval of this proposal.

Exhibit B: Menu Curriculum**Class/Lab Hours**

8-60

Trainees may receive any of the following:

BUSINESS SKILLS

- ❖ Customer Care Skills
- ❖ Customer Retention
- ❖ Customer Engagement
- ❖ Customer Relationship Building
- ❖ Advanced Sales & Marketing Skills
- ❖ Prospecting and Closing
- ❖ Sales Account Management
- ❖ Advanced Closing Techniques
- ❖ Sales Procedures and Strategies
- ❖ Negotiation Skills
- ❖ Conflict Resolution
- ❖ Communication Skills
- ❖ Presentation Skills
- ❖ Leadership Skills
- ❖ Team Building Skills

COMMERCIAL SKILLS

- ❖ I-CAR Collision Repair Certification Skills
- ❖ ASE Certification Skills
- ❖ Refinishing Skills
 - Trim & Hardware
 - Surface Preparation
 - Vehicle Priming/Sealing
 - Paint Spray Guns Maintenance & Setup
 - Corrosion Protection Process
 - Sand, Buff & Detail
 - Color Theory & Tints
 - Blending Techniques
 - New Technologies
- ❖ Structural Repair Skills
 - Unibody Alignment
 - Three Dimensional Measuring
 - Repair & Replacement of Outer Body Panels
 - High Strength Steels
 - Aluminum Repair Processes
 - MIG Welding Skills
 - Straightening Structural Damage
 - Glass Replacement
 - Pillars, Rocker Panels, Rails, Front Structures & Floor Pan Replacement
 - Heating, Cooling and A/C Systems
 - Steering & Suspension Systems
 - Advanced Vehicle Systems
- ❖ Non-Structural Vehicle Repair Skills

- Remove/Install Trim & Hardware
- Adhesive Bonding
- Diagnose Wind Noise & Water Leaks
- Aluminum Cosmetic Damage
- Spot Welding

- ❖ Estimating Skills
 - Steering & Suspension System Damage Analysis
 - Damage on Non-Drivable Vehicles
 - Electrical/Mechanical Systems
 - Stationary Glass
 - Advanced Materials
 - Advanced Vehicles Systems
- ❖ Vehicle Operation, Maintenance, & Troubleshooting
- ❖ Alternative Fuel & Hybrid vehicle Repair Diagnostics
- ❖ OEM (Original Equipment Manufacturer) Knowledge/Skills

COMPUTER SKILLS

- ❖ CCC One Software
 - Job Costing
 - Production Flow
 - Production Planning – ETAs Times & Dates
 - Internal & External Customer Communication
- ❖ Michell & Michell Repair Center Software
- ❖ CCC Info Systems Software
- ❖ Alldata Software
- ❖ Intermediate & Advanced Microsoft Office

CONTINUOUS IMPROVEMENT

- ❖ Root Cause Analysis
- ❖ Kaizen Event Strategy & Implementation
- ❖ Lean Concepts
- ❖ Process and Quality Improvement
- ❖ Problem Solving and Decision Making Skills
- ❖ Inventory Control
- ❖ Standard Operating Procedures

HAZARDOUS MATERIALS

- ❖ Completing Material Safety Data Sheets (MSDS)
- ❖ Volatile Organic Compound (VOC) Training
- ❖ Emergency Clean-up
- ❖ Registration, Evaluation, Authorization, & Restriction of Chemical Substances

Safety Training cannot exceed 10% of total training hours per-trainee.
This cap does not apply to Hazardous Materials training.

Productive Lab (PL) Hours

0-18

PL COMMERCIAL SKILLS (1:1 ratio)

- ❖ Body Filler Methods (1.5 hours)
- ❖ Structural Resistance Spot Welding (1 hour)
- ❖ Mig Brazing Technique (0.5 hours)
- ❖ Color Tinting (3 hours)
- ❖ Spraying/Blending Techniques (2 hours)
- ❖ Measuring Vehicle Structures (1 hour)
- ❖ Alignment Process for Full Frame Vehicles (2 hours)
- ❖ Alignment Process for Unitized Vehicles (2 hours)
- ❖ Aluminum Repair (1 hour)
- ❖ Technical Estimating Training (3.5 hours)

Note: Reimbursement for retraining is capped at 60 total training hours per trainee, regardless of the method of delivery. Safety training is capped at 10% of total training hours, per trainee excluding Hazardous Materials. PL is capped at 18 hours per-trainee.