

DELEGATION ORDER



**Retrainee - Job Creation
Training Proposal for:
New Flyer of America, Inc.**

Agreement Number: ET16-0288

Approval Date: November 16, 2015

ETP Regional Office: North Hollywood

Analyst: M. Paccarelli

PROJECT PROFILE

Contract Attributes:	Retrainee Priority Rate Job Creation Initiative	Industry Sector(s):	Manufacturing Green Technology Transportation/Logistics Priority Industry: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Counties Served:	San Bernardino	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: 65	U.S.: 1,800	Worldwide: 3,500
<u>Turnover Rate:</u>	2%		
<u>Managers/Supervisors:</u> (% of total trainees)	20%		

FUNDING DETAIL

Program Costs	-	(Substantial Contribution)	(High Earner Reduction)	=	Total ETP Funding
\$86,800		\$0	\$0		\$86,800

In-Kind Contribution:	100% of Total ETP Funding Required	\$126,400
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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 Priority Rate	Business Skills, Computer Skills, Mfg. Skills, Continuous Imp., HazMat, PL-Mfg. Skills	65	8-200	0	\$720	\$15.07
				Weighted Avg: 40			
2	Retrainee Priority Rate Job Creation Initiative	Business Skills, Computer Skills, Mfg. Skills, Continuous Imp., HazMat, PL-Mfg. Skills	10	8-200	0	\$4,000	\$12.33
				Weighted Avg: 200			

Minimum Wage by County: Job Number1: \$15.07 per hour for San Bernardino
 Job Number 2 (Job Creation): \$12.33 per hour for San Bernardino 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
 Although employer provides health benefits, they are not being used to meet Post-Retention Wage.

Job 1 & 2 Wage Range by Occupation		
Occupation Titles	Wage Range	Estimated # of Trainees
Materials Specialist		2 2
Acceptance & Delivery Specialist		32
Technician		10
Maintenance Specialist		2
Quality Assurance Specialist		4
Manufacturing Engineer		2
Administrative Staff		2
Team Lead		4
Warehouse Staff		1
Stockkeeper		5
Supervisor		3
Manager		6

INTRODUCTION

Founded in 1930, New Flyer of America, Inc. (New Flyer) (www.newflyer.com) manufactures heavy-duty transit buses in the United States and Canada. The Company is an industry technology leader and offers a broad product line including vehicles with drive systems powered by clean diesel, natural gas, diesel-electric hybrid, electric trolley, and battery-electric. New Flyer buses are supported by an industry-leading comprehensive warranty, support program and service network.

In 2013, the Los Angeles County Metropolitan Transportation Authority (LA Metro) awarded New Flyer a contract to purchase up to 900 Xcelsior™ 40-foot heavy-duty compressed natural gas buses. This five-year contract contains a firm order for 550 buses, and options to purchase an additional 350 buses. This will be the first time the New Flyer Xcelsior™ model will be introduced into LA Metro's active transit fleet. With features such as all-electric HVAC, electric doors, electric cooling, New Flyer Connect™ telematics system and a Parker-Vansco instrumentation panel cluster equipped with touch-screen technology, these features will allow LA Metro to realize operating range and efficiency gains in line with their mission of sustainability and emission reduction.

Retrainee - Job Creation

The Panel offers incentives to companies that commit to hiring new employees. Training for newly-hired employees will be reimbursed at a higher rate, and trainees will be subject to a lower post-retention wage. 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. These trainees will be hired into "net new jobs" as a condition of contract.

The LA Metro contract created an opportunity for New Flyer to open a new facility in Ontario, thereby, creating new jobs. Since its opening, New Flyer has expanded its services at the new facility by operating an aftermarket parts division, sourcing parts from hundreds of different suppliers and providing support for all types of transit buses. Its customer base includes numerous transit agencies throughout the State.

New Flyer has also partnered with the San Bernardino Economic Development Corporation and Riverside Economic Development Corporation in finding the best candidates for the new positions in the Ontario facility. The Company continues to hire new employees in production positions. The Company has committed to hiring 10 new employees (Job Number 2).

PROJECT DETAILS

Need for Training

This is New Flyer's second ETP Agreement. The previous contract provided training to newly hired employees (Job Creation) as the Company opened its new Ontario facility. This facility has proven to be a huge success with a high employee skill level. However, as the Company continues to grow and expand its services, New Flyer is requesting ETP assistance to train its workers, including new hires in core Manufacturing Skills and Continuous Improvement to attain operational excellence and meets customer demands.

The majority of the trainees were trained in the first ETP contract as new hires. This second contract will be a continuation of their training and will provide the foundation and skills set for its incumbent workers, reduce the impact of poor quality issues, and provide a streamline process to ensure customer satisfaction and high performance. No trainee will receive duplicate training.

Manufacturing Skills (60%) - Training will equip Acceptance & Delivery Specialists, Technicians, Manufacturing Engineer, and Materials Specialists with the skills and knowledge needed in a production environment. Extensive cross-training will also be provided to ensure a broad understanding of the entire production process.

Business Skills (10%) - All occupations will be trained in New Flyer's core values. Managers, Supervisors and Team Leads will be trained in leadership that will guide its employees and promote employee engagement and motivation.

Computer Skills (10%) - Training will be provided to all occupations to help them be knowledgeable and well-trained in New Flyer's systems and processes.

Continuous Improvement (10%) - Training will be provided to all occupations and focus on Lean Manufacturing and 5S (Sort, Set in Order, Shine, Standardize, and Sustain).

Hazardous Materials (10%) – Training will be provided to select Acceptance & Delivery Specialists, Technicians, Manufacturing Engineer and Materials Specialists who are in charge of handling and disposing of hazardous materials.

Productive Laboratory

The Panel reimburses for training delivered in a Productive Laboratory (PL) setting. PL trainees may produce goods for profit as part of the training in the courses identified under the Curriculum.

New Flyer has determined that hands-on training is the best way to learn its complex and unique process. PL in Manufacturing Skills will provide Acceptance & Delivery Specialists, Material Specialists, Quality Assurance Specialists and Technicians the skills to ensure that quality issues, reworks, and snags are kept to absolute minimum. These trainees will receive up to 37 hours of Classroom training, 88 hours of Non-Productive Lab, and 40 hours of Productive Lab. Upon completion of the PL training, trainees will continue to receive up to 160 hours of "on-the-job" training at employer's expense.

The trainer-to-trainee ratio may vary from 1:1 to 1:3 depending on the tasks and equipment utilized in the training. Approximately 5% of the PL training will have 1:3 ratio for some installation tasks involving equipment or process that requires three people to complete. A list of tasks and competencies has been submitted to ETP staff. PL training is broken down to 67 tasks required to attain competencies, training on each task varies from 15 minutes to two hours. The trainers are in-house subject matter experts who are exclusively dedicated to instruction for the entire reported training time.

Commitment to Training

The Company's current training budget of approximately \$80,000 covers safety, forklift, lift truck, and compliance/regulatory 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.

Qualified in-house trainers will provide training. Outside vendors may be utilized if needed.

RECOMMENDATION

Staff recommends approval of this proposal.

PRIOR PROJECTS

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

Agreement No.	Location (City)	Term	Approved Amount	Payment Earned \$ %
ET14-0203	Ontario	10/21/13 – 10/20/15	\$183,960	\$170,200 (93%)

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:

MANUFACTURING SKILLS

- ✚ Compressed Natural Gas (CNG)
- ✚ Man Axle And Brakes
- ✚ Cummins CNG Engine Diagnostics
- ✚ Allison Transmission Diagnostics
- ✚ Dedicated Micros Cameras And Systems
- ✚ Electrical Systems and Schematics
- ✚ Destination Sign Programming And Repairs
- ✚ Blueprint Reading
- ✚ Air and Hand Tool Use
- ✚ Math and Measurement
- ✚ Forklift
- ✚ Crane/Hoists
- ✚ Bus Lifts
- ✚ Torque Training
- ✚ Decal Training
- ✚ Air Systems
- ✚ Sika Application
- ✚ Harness and Connector
- ✚ Protect and Preserve the Bus
- ✚ NCP Process (Orange Tag Completion)

BUSINESS SKILLS

- ✚ Clarity and Performance
- ✚ Coaching and Developing
- ✚ Communication Skills
- ✚ Conflict Resolution
- ✚ Core Values
- ✚ Creating a Motivating Environment
- ✚ Frontline Leadership
- ✚ Job Relations
- ✚ Presentation Skills

COMPUTER SKILLS

- ✚ Vansco Software
- ✚ Microsoft Office (Advanced & Intermediate)
- ✚ LiveBus
- ✚ Document Navigation
- ✚ IBus
- ✚ Oracle
- ✚ SharePoint
- ✚ IWarranty

CONTINUOUS IMPROVEMENT

- ✚ Total Productive Maintenance
- ✚ Environmental Training
- ✚ 5S (Sort, Set in Order, Shine, Standardize, and Sustain)
- ✚ Lean

HAZARDOUS MATERIALS (HAZMAT)

- ✚ Hazardous Materials Handling
- ✚ Hazardous Waste Cleaning

Productive Lab Hours

0 – 40

MANUFACTURING SKILLS (Ratio 1:3)

- ✚ Installation Module
- ✚ Application Module
- ✚ Testing Module

Note: Reimbursement for retraining is capped at 200 total training hours per trainee, regardless of the method of delivery. PL is capped at 40 hours per-trainee.