



RETRAINEE - JOB CREATION

Training Proposal for:

Nor-Cal Beverage Co., Inc.

Agreement Number: ET15-0471

Panel Meeting of: June 26, 2015

ETP Regional Office: Sacramento

Analyst: W. Sabah

PROJECT PROFILE

Contract Attributes:	Retrainee Priority Rate Job Creation Initiative HUA	Industry Sector(s):	Manufacturing Priority Industry: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Counties Served:	Orange, Yolo	Repeat Contractor:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Union(s):	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Nor-Cal Beverage Company Employees Union Local 916		
Number of Employees in:	CA: 430	U.S.: 433	Worldwide: 433
<u>Turnover Rate:</u>	18%		
<u>Managers/Supervisors:</u> (% of total trainees)	10%		

FUNDING DETAIL

Program Costs	-	(Substantial Contribution)	(High Earner Reduction)	=	Total ETP Funding
\$135,900		\$0	\$0		\$135,900

In-Kind Contribution:	100% of Total ETP Funding Required	\$341,682
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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 HUA	Business Skills, Computer Skills, Cont. Imp., Hazardous Materials, Mgmt. Skills, Mfg. Skills	123	8-200	0	\$540	\$11.99
				Weighted Avg: 30			
2	Retrainee Priority Rate	Business Skills, Computer Skills, Cont. Imp., Hazardous Materials, Mgmt. Skills, Mfg. Skills	62	8-200	0	\$540	\$16.02
				Weighted Avg: 30			
3	Retrainee Priority Rate Job Creation Initiative	Business Skills, Computer Skills, Cont. Imp., Hazardous Materials, Mgmt. Skills, Mfg. Skills	40	8-200	0	\$900	\$14.00
				Weighted Avg: 45			

Minimum Wage by County: Job Number 1(HUA): \$11.30 per hour in Yolo County; Job Number 2: \$16.02 per hour in Orange County; and Job Number 3(Job Creation): \$13.35 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

Up to \$2.02 per hour may be used to meet the Post-Retention Wage for Job Number 2.

Wage Range by Occupation		
Occupation Titles	Wage Range	Estimated # of Trainees
Job Number 1		
Administrative & Support Staff		15
Blending Staff		10
Bottling and Dispatching Staff		6
Maintenance Staff		15
Mechanic		6
Operations Staff		17
Process and Service Staff		15
Quality Assurance Technician		5

Repacker		2
Sanitation Specialist		3
Warehouse Technician		18
Supervisor & Manager		11
Job Number 2		
Administrative & Support Staff		8
Blending Staff		14
Bottling and Dispatching Staff		4
Gatekeeper		2
Operations Staff		3
Materials Clerk		3
Mechanic		9
Microbiologist		1
Production Staff		8
Quality Assurance Technician		2
Supervisor & Manager		8
Job Number 3		
Blending Staff		2
Chemist		1
Mechanic		3
Microbiologist		1
Operations Staff		17
Production Staff		6
Quality Assurance Technician		3
Sanitation Specialist		3
Supervisor & Manager		4

INTRODUCTION

Founded in 1937 and headquartered in West Sacramento, Nor-Cal Beverage Co., Inc. (Nor-Cal Beverage) (www.ncbev.com) is a large co-packer and manufacturer of teas, chilled juices, waters and energy drinks. This includes the proprietary go Girl® energy drink. The Company also provides solutions such as sales, services and installation of food and beverage systems to customers ranging from convenience stores to biotech labs. Nor-Cal Beverage has six different production and distribution facilities in Yolo and Orange counties. All six locations will participate in training under this proposal.

Need for Training

Nor-Cal Beverage recently obtained their Food Safety System Certification (FSSC) 22000, which has allowed them to develop and implement documentation control, continual process improvement, internal audit training, and food safety. The FSSC 22000 defines requirements for integrated processes that control and minimize food safety hazards. Employees require training to maintain consistency, standardize best practices, and reduce food safety hazards. In addition, FDA regulations require Nor-Cal Beverage to comply with quality assurance, PH level control

and contamination prevention, while still meeting customer demand for timely delivery. On-going training is needed to ensure correct production methods and testing processes are adhered.

The Company installed new equipment. Nor-Cal Beverage is expanding its manufacturing capabilities at the Anaheim production facility by adding new tunnel pasteurization and 'can line' capabilities. The Company is also installing new manufacturing equipment including depalletizers, empty can conveyer, full can conveyer, GPI packer, case packer, and full case conveyers at the Anaheim facility. Employees need training to increase knowledge and skills on all equipment, including solutions and facility maintenance through continuing education in refrigeration, machine maintenance and installation.

This is the fourth proposal for Nor-Cal Beverage: the second proposal in the last five years. During the prior ETP contract, Nor-Cal Beverage focused on obtaining the FSSC 22000 certification. In the current proposal, the Company plans on developing staff production efficiency and increasing knowledge for career development. Training in this proposal will not duplicate the training in the prior contract, but build on the course topics previously delivered.

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.

In this proposal, Nor-Cal Beverage has committed to hiring 40 new employees (Job Number 2) at the Anaheim production facility to assist with the operation of the new machinery and distribution center. Training on the new machinery will increase efficiencies through process improvement techniques, and employees will be able to retain their positions and grow within the Company. Nor-Cal Beverage 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.

PROJECT DETAILS

Training Plan

Nor-Cal Beverage will provide between 8-200 hours of Class/Lab training.

Business Skills (5%): Training will be offered to Gatekeepers, Materials Clerk, Warehouse Technicians, Supervisors, Managers, Administrative and Support, Bottling and Dispatching, Process and Service Staff. Training will focus on the improvement of internal processes to promote administrative efficiency and to provide staff with the knowledge and skills to run the business effectively. Training topics include Communication and Interpersonal Skills, Customer Service, Leadership Development, Billing, Accounting, Inventory, and Shipping and Receiving.

Computer Skills (5%): Training will be offered to all occupations. Trainees that did not receive training in the prior contract will receive training on computer software that is essential to their job functions. Training will focus on inventory maintenance, production scheduling, financials and system usage required by customers. Training topics include Intermediate/Advanced Microsoft Office, SAP, ADA System, AVAIL, AS400, VIP, Kronos and Maintenance Connection.

Continuous Improvement (15%): Training will be offered to all occupations to ensure that Nor-Cal Beverage remains competitive in their industry. These skills will enable employees to

improve quality, productivity and food safety. Training includes Handling Customer & Consumer Complaints, Trainer-the-Trainer, Contractor & Visitor Management and Machine Safeguarding.

Hazardous Materials (5%): Training will be offered only to staff members that are exposed to hazardous materials, specifically Mechanics, Maintenance, Operations, and Production Staff. Training will focus on the safe handling of hazardous materials and will include Hazardous Energy Control, Blood Borne Pathogens, Compressed Gas Management, Waste Management and Respiratory Protection

Management Skills (10%): Training will be offered to Supervisors and Managers. This training will focus on enhancing skills to create a productive work atmosphere to motivate staff, positively lead staff, and coach staff. Training includes Conflict Resolutions, Goal Setting, Effective Meetings for Leaders and Coaching Your Team Members.

Manufacturing Skills (60%): Training will be offered to Mechanics, Quality Assurance Technicians, Sanitation Specialists, Warehouse Technicians, Blending, Bottling and Dispatching, Maintenance, Operations, Process and Service Staff. Staff will receive training on old and new equipment used at the Anaheim facility. Training will focus on new processes and routine maintenance of equipment. Training includes FSSC 22000 Implementation training, Blending, Bottle Liner Filler, Cleaning & Sanitation of Equipment, and Depalletizer Operation.

Temporary to Permanent Hiring

Approximately 10 trainees in Job Number 3 come under Panel guidelines for “temporary to permanent” employment. Nor-Cal Beverage has retained these employees through a temporary agency, with the intention of hiring them into full-time, permanent positions after training.

These trainees must be determined eligible to participate in ETP-funded training before the start of training, while on payroll with the temporary agency. However, the retention and post-retention wage requirements cannot be satisfied until after they have been hired by Nor-Cal Beverage. Until then, the Company may not receive progress payments.

High Unemployment Area

The 123 trainees in Job Number 1 work in a High Unemployment Area (HUA), with unemployment exceeding the state average by at least 25%. The Company’s locations in Yolo County qualify for HUA status under these standards. For these trainees, the Panel may modify the ETP Minimum Wage by up to 25% if post-retention wages exceed the start-of-training wages. Nor-Cal Beverages requests a wage modification to \$11.99 per hour for trainees in Job Number 1.

Commitment to Training

Nor-Cal Beverage has an annual training budget of \$163,000 for the West Sacramento and Anaheim facilities. The training budget includes state-mandated safety training, equipment maintenance and installation, food safety and security, and sales training.

Nor-Cal Beverage represents that 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**

Nor-Cal Beverage has two full-time employees that will administer the ETP project. The Human Resources Director will have the primal responsibility of enrolling and tracking with the assistance of the Human Resources Coordinator. In addition, the Company identified approximately 11 employees and trainers to be responsible for scheduling, delivering, documenting and managing training.

RECOMMENDATION

Staff recommends approval of this proposal.

PRIOR PROJECTS

The following table summarizes performance by Nor-Cal Beverage under an ETP Agreement that was completed within the last five years:

Agreement No.	Location (City)	Term	Approved Amount	Payment Earned \$ %
ET12-0331	Anaheim, Fullerton, Galt, Loomis, West Sacramento	03/26/2012-03/25/2014	\$441,520	\$135,719 (31%)

Nor-Cal Beverage completed 31% of the approved contract amount. According to the Company, training under prior contract was delayed due to their focus on achieving the FSSC 22000 certification. For this proposal, the Company developed a job progression matrix and identified numerous training skills, processes and operations of specific equipment to ensure completion of 100% of ETP-funded training. In addition, the current proposal has been "right-sized" constant with prior earning.

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

- Communication and Interpersonal Skills
- Customer Service
- Leadership Development
- Billing
- Accounting
- Inventory
- Shipping & Receiving

COMPUTER SKILLS

- Microsoft Office Suite (Intermediate/Advanced)
- SAP (Enterprise Resource Planning system)
- ADA System
- AVAIL
- AS400
- VIP – Inventory System
- Kronos
- Maintenance Connection

CONTINUOUS IMPROVEMENT

- Business Goals & Objective
- Continual Improvement
- Emergency Response Plan
- Handling Customer & Consumer Complaints
- Internal Audit
- Internal & External Communication
- Records Keeping
- Train-the-Trainer
- Emergency Preparedness & Response Plan
- Flammable Liquid
- Fire Protection/Fire Control
- Hot Work
- Contractor & Visitor Management
- EOSH Performance Measurement
- Fleet Management
- Machine Safeguarding
- Acetylene Fuel & Gas Safety
- Asbestos/Asbestos Awareness
- Battery Handling/Changing/Charging
- Chemical Hygiene for Laboratories
- Cranes & Other Hoisting Equipment
- Elevating Work Platforms & Aerial Devices
- Emergency Action Plan
- Fire Extinguisher & Fire Fighting Equipment
- Fire Prevention & Emergency Plan

- Industrial/Lift Trucks (Forklifts) & Tractors
- Injury & Illness Prevention Program
- Supervisory Safety Training & Accident Investigation
- Machinery & Equipment
- Welding & Cutting Safety - Hot Work

HAZARDOUS MATERIALS

- Hazard Communication
- Hazardous Energy Control
- Management Hazardous Materials
- Safety & Environmental Training:
 - Blood Borne Pathogens
 - Compactor Safety Training
 - Compressed Gas Management
 - Confined Space
 - Electrical Safety
 - Emergency Preparedness & Response Plan
 - Energy Efficiency & Best Practices
 - Ergonomics/Safe Lifting JSA Review
 - Fall Protection
 - First Aid
 - Forklift Safety/Lift Truck
 - Hand Tool Safety
 - Hearing Conservation
 - Heat Stress
 - Local Exhaust Ventilation
 - Lockout-Tagout/Machine Safety Guarding
 - Material Handling Equipment
 - Ozone Protection
 - Personal Protective Equipment
 - Respiratory Protection
 - Slips, Trips and Falls/Ladder Safety
 - Spill Prevention & Control
 - Storm Water Protection
 - Traffic Route
 - Waste Management
 - Waste Water Management
 - Water Resource Sustainability

MANAGEMENT SKILLS (Managers/Supervisors Only)

- Management Responsibilities
- Attendance Management
- Conflict Resolution
- Goal Setting
- Interviewing Skills
- Perfecting Performance Evaluations
- Effective Meetings for Leaders
- Finance and Financials for Non-Finance Managers
- Leadership and Team Building
- Safety and the Supervisor
- Incident Investigation
- Hiring and Retaining Staff

- Addressing Sub-Par Performance
- Coaching Your Team Members
- Time Management
- Effective Communication Skills
- Wellness Training

MANUFACTURING SKILLS

- Allergens Procedure
- Calibration
- Control of Non-Conforming Products
- Document Control
- Food Safety Card
- Food Safety Requirements
- Food Safety & Quality Card & Policy
- FSSC 22000:2005 Implementation Training
- General HACCP Awareness Training
- Glass Breakage Procedure
- GMP Program
- Material and Product Integrity
- Process Flow Maps and Control Points
- Process Integrity
- QMS ISO 9001:2008 Implementation Training
- Food Security

Positional Manufacturing Skills:

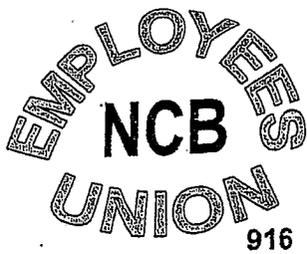
- AROL Capper - Static Torque Testing
- ATP Sanitation of Monitoring - Filler Valves
- Batch Adjustment Procedure
- Blend Aseptic
- Blend Sheet Documentation
- Blending
- Boiler Start Up - Muira Boiler
- Bottle Line Filler and HTST Cleaning In Process
- Calcium Check Sheet
- Calibration & Determination of Brix - RFM745 Refractometer
- Calibration & Measurement
- Can Filler and HTST - Solbern Cleaning In Process
- Can Line Filler and HTST - Solbern CIP
- Carrier Check in Policy
- CCR Truck Loading Process
- Cleaning In Process
- Cleaning & Sanitation of Equipment
- Coupling Tractor to Semitracker
- Crown Filler Valve Rebuild/Repair
- Cryotech Injection - Quick Service
- Damaged Goods Receipt Process
- Distribution Center Finished Goods Damage Processing
- Distribution Center Trash Compactor Operating Procedure
- Depalletizer Operation
- Determination of Alkalinity

- Determination of Brix – Refractometer
- Determination of Caffeine, Benzoic Acid & Sorbic Acid
- Determination of Caffeine, Benzoic Acid & Sorbic Acid by HPLC
- Determination of CO₂ & Air Content in Cans
- Determination of Free & Total Chlorine
- Determination of Hardness
- Determination of Iron
- Determination of pH
- Determination of Titratable Acid
- Disposal of Trademark Materials
- Drain Cleaning – Packaging
- Electric Lift Charging
- Emergency Procedure: Hard Water at Surge or Low Water Level
- Enumeration of T/C & Coliform by Membrane Filtration
- Enumeration of Lactic Acid Bacteria - Finished Product
- Enumeration of T/C & Y/M
- Evaluation of Aseptic Packages
- Facility Maintenance/Monthly Audit Check
- Fall Protection
- Flavor Change Can Lines
- Foamer Set-Up and Operation Can/Bottle
- Fueling Procedures
- Fueling Procedures at Card Lock Location
- Good Laboratory Practices
- HACCP OPRP Training
- High Sheer Mixer Operation
- Hot Work Permit Program
- How to Verify Product Fill Weights
- ILS Cycle Count Process
- ILS Tag Creation
- ILS Truck Loading Process
- Inspection for Glass Removal Prior to PET Run
- Inventory Control - Cold Box Delivery for Blending
- Ladder Inspection Program
- Leakage Detection Fluid
- Loading Trailers - Bay 5
- Lockout/Tagout
- LPG Tank Replacement Work Instruction
- LTO Line Checks
- Maintenance Procedure and Food Safety
- Meurer Casepacker and Multipacker Operation
- Microbiological Incubation Time Temperature
- Microbiological Monitoring Program
- Miura Blowdown Procedure
- Operation of Bottle Filler
- Operation of Canalyzer
- Operation of Crown Filler - Can Line
- Operation of Douglas Casepackers
- Operation of Filtec DUD Detector
- Operation of Floor Scrubber

- Operation of Fuji Labelers
- Operation of Line Monitoring and Testing
- Operation of Markem Case Coder
- Operation of Riverwood - Can Line
- Operation of Sentry Palletizer
- Operation of Shrink Wrap Machines
- Operation of Silgan Vision DUD Detector
- Operation of Solbern Filler - Can Line
- Operation of Videojet Coding System
- Operations Line Monitoring and Testing
- Organic Requirements
- Organoleptic, Evaluation: Taste, Odor, Color, & Appearance
- Pallet Collapse Handling Guidelines
- Pallet Inverter Operating Procedure
- Procedure for Cleaning Return Line
- Procedure for Filling CO2 Tanks
- Processor Operation
- Product Change – Downline
- Product Hold Process
- Ratio Blend Cleaning In Process
- RCS High Flow Air Sample
- Receiving & Inspection of Packaging Materials
- Receiving Base Drums for Batching
- Receiving Raw Ingredients
- Receiving, Testing, & Inspecting HFCS/Liquid Sucrose
- Recycling
- Safety Training - LPG Fueling of Forklifts
- Servicing Repairing Refrigeration Systems
- Shuttle Procedures
- Spill Prevention, Control, and Counter Measures
- Staging & Verification of Ingredients for Blending
- Staging Dry Ingredients - Aseptic Blending
- Steps for Placing Finished Products on Hold
- Steps for Placing Materials & Ingredients on Hold
- Storing Finished Goods that Contain Allergens Procedure
- Tetra Filler Operation
- Tetra Pak Straw Applicator
- Total Coliform & E Coli by Colibert Presence/Absence Method
- Tunnel Pasturization
- Verification & Use of Torque Meter
- Water Filling Electric Forklift Batteries
- Wyred Palletizer Operation

Safety Training cannot exceed 10% of total training hours per-trainee

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



April 24, 2015

Executive Director
Employment Training Panel
1100 J Street, 4th Floor
Sacramento, CA 95814

RE: ETP Training Program

Nor-Cal Beverage Company Employee's Union supports ETP training program in Nor-Cal Beverage Company, Inc.'s facilities in West Sacramento, California, which will provide our members with the skills needed to meet customers' requirements, which in turn will provide a secure work environment for the future.

Sincerely,

Russell Geer
President