



**Training Proposal for:**  
**Northrop Grumman Technical Services Inc.**  
**Agreement Number: ET15-0108**

**Panel Meeting of:** June 27, 2014

**ETP Regional Office:** North Hollywood

**Analyst:** M. Webb

**PROJECT PROFILE**

Contract Attributes:	Priority Rate Retrainee Veterans	Industry Sector(s):	Aerospace and Defense  Priority Industry: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Counties Served:	San Bernardino	*Repeat Contractor:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <small>*Repeat participant (prior earnings in a MEC)</small>
Union(s):	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Local 166 Teamster		
Number of Employees in:	CA: 5,000	U.S.: 27,000	Worldwide: 68,000
<u>Turnover Rate:</u>	4%		
<u>Managers/Supervisors:</u> (% of total trainees)	12%		

**FUNDING DETAIL**

Program Costs	-	(Substantial Contribution)	(High Earner Reduction)	=	Total ETP Funding
\$382,478		\$55,221 15%	\$0		\$327,257

In-Kind Contribution:	100% of Total ETP Funding Required	\$833,760
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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	Commercial Skills, Computer Skills, Continuous Impr, HazMat, Mgmt Skills, PL-Comm Skills	699	8-240	0	*\$443	\$14.90
				Weighted Avg: 29			
2	Veterans	Commercial Skills, Computer Skills, Continuous Impr, HazMat, Mgmt Skills, PL-Comm Skills	25	8-240	0	\$704	\$14.90
				Weighted Avg: 32			

\*Reflects Substantial Contribution

**Minimum Wage by County:** The ETP Minimum Wage Requirement for San Bernardino County is \$14.90 per hour.

**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 \$0.46 per hour may be used to meet the Post-Retention Wage.

Wage Range by Occupation		
Occupation Titles	Wage Range	Estimated # of Trainees
<b>Job Number 1</b>		
Laborer		37
Computer Operator		8
Payroll Clerk		2
Tool Room Attendant		10
Clerk		64
Trades Helper		40
Property Management/Human Resource Specialist		18
Admin Assistant		4
Stock Control		2
Production Control/Quality/Project Management Analyst		14
Ammo Handler		14
Data/Electronic Technician		17
LSO Planners		15

Supervisor		92
Mechanic/Welder		325
Technical Inspector		29
Manager		8
<b>Job Number 2</b>		
Mechanic/Welder		25

## **INTRODUCTION**

Northrop Grumman Technical Services Inc. (Northrop Grumman TS) is a subsidiary of Northrop Grumman Corporation (NGC) ([www.northropgrumman.com](http://www.northropgrumman.com)).

The parent NGC was established in 1939 and has 70 locations within the state of California. NGC is best known for manufacturing aircrafts and other systems used by government customers for intelligence, strike operations, electronic warfare, missile defense, and space science/exploration. The U.S. Department of Defense is a primary customer. NGC has had many prior Agreements with ETP over a span of two decades, for training in its various divisions and units located throughout the state.

Training under this proposal will be for Northrop Grumman TS located at Fort Irwin. The Company also has a presence at NGC facilities in Palmdale and San Diego, but training will not take place there. At Fort Irwin, the Company provides services for the U.S. Army 916<sup>th</sup> Sustainment Brigade Mojave Desert.

There have been three prior Single Employer Agreements with the parent NGC in the past five years (none at the Fort Irwin location). There are no prior Single Employer Agreements with Northrop Grumman TS. However, the Company has participated in a MEC, and there will be a Substantial Contribution of 15% on that basis, as discussed further below.

## **PROJECT DETAILS**

To remain competitive, Northrop Grumman TS has developed a program known as *Ready Blue* to streamline all production activities. Maintenance forms, technical manuals, parts and equipment logistics and quality control functions will be automated and integrated into a unified web-based system. The Northrop Grumman TS staff has developed two training phases for *Ready Blue*. During Phase I, a group of workers from the heavy equipment area will beta test *Ready-Blue* procedures and equipment. Phase II will include additional functions such as timekeeping and other functions that will increase efficiency. A selected few will receive the training, initially; over time, the Company will provide training to the remaining mechanics and clerks.

Additionally, Northrop Grumman TS staff maintains a fleet of various vehicles such as HMMWVs, Mine Resistant Ambush Resistant military vehicles (MRAPs), and other tracked vehicles. These workers require MRAP Certification in order to maintain the military vehicles.

## **Training Plan**

**Commercial Skills (35%)** - Training will be offered to Mechanics, Managers/Supervisors, Trades Helpers, and Laborers to provide them with the knowledge to maintain and repair military vehicles. Courses include Transmission Assembly, Recovery Procedures, and Vehicle

Preventive Maintenance Checks and Services. Trainees will also receive certification to maintain and repair all MRAP vehicles.

**Computer Skills** (10%) - Training will be offered to all occupations to ensure they are capable of handling new data management systems. Computer Skills training will help employees become familiar with new computerized service specifications.

**Continuous Improvement** (20%) - Training will be offered to Production Analyst, Administrative Assistants, Clerks, and Managers/Supervisors to enhance problem solving skills and improve team work.

**Hazardous Materials** (5%) - Training will be offered to Mechanics, Trades Helpers, Welders, and Laborers so they are aware of proper protocol when handling and disposing hazardous materials.

**Management Skills** (10%) - Training will be offered to all Managers and Supervisors to improve in leadership skills and planning. Trainees will receive training in topics such as Performance Management and Positive Engagement.

### **Productive Laboratory**

The Panel adopted regulations to authorize reimbursement 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. Training will be conducted in small groups with a ratio of up to 1:3 not to exceed 50 hours per trainee.

Northrop Grumman TS has identified Mechanics who may receive PL training in Commercial Skills. Trainees, along with the trainer, surround MRAP vehicles recently used in combat that need maintenance. Trainees diagnose engine problems and perform maintenance to fix the vehicles. Trainees will receive instruction in diagnostics, troubleshooting, repair and assembly of engines, brakes, and other vehicle components.

### **Commitment to Training**

Northrop Grumman TS spends approximately \$500,000 annually on training in California. Company-wide training includes Physical Security, Accident Avoidance (safety), and Anti-Terrorism. All training provided at this location is mandated by the performance work statement from the U.S. Army.

Northrop Grumman TS 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

Northrop Grumman TS is set to launch training May 2014. The Company has retained a third party for administrative and training services.

### **Substantial Contribution**

Northrop Grumman TS is a repeat participating employer with payment earned in excess of \$250,000 at the Fort Irwin facility within the past five years. (Northrop Grumman TS has received training from Chaffey College as a participating employer under prior ETP Agreements.) Accordingly, reimbursement for trainees at Fort Irwin in Job Number 1 will be

reduced by 15% to reflect the company's \$55,221 Substantial Contribution to the cost of training.

### **Training Hours Limitation**

Retraining hours are capped at 200 per-trainee. However, Northrop Grumman TS is asking for a modification of the cap. A small group of Mechanics has been identified to participate in training from the MRAP University which provides advanced level operator and field maintenance training on all MRAP vehicles. These vehicles require specialized skills in order to maintain and repair them.

This certification program is a six week-240 hour program that will train Mechanics to support and maintain five different types of MRAP vehicles. Once a trainee completes the program, they must pass a total of five exams to receive certification.

Northrop Grumman TS is asking to increase the cap from 200 hours to 240 hours for this occupation for both job numbers in order to deliver all training needed for certification. Per Veterans guidelines, the cap on hours may be modified for Veteran trainees (Job Number 2). In general, the Panel has discretion to increase the cap for good cause, for all trainee populations.

### **Veterans Program**

Northrop Grumman TS plans to hire approximately 25 Veterans over the next 2 years who recently served active full-time duty in the Armed Forces. Trainees in Job Number 2 (Veterans) will receive a higher reimbursement rate of \$22 per hour.

### **RECOMMENDATION**

Staff recommends approval of this proposal with the increase in the maximum hours cap.

### **DEVELOPMENT SERVICES**

N/A

### **ADMINISTRATIVE SERVICES**

Northrop Grumman TS retained Chaffey College Workforce Technical Institute in Chino to perform administrative services in connection with this proposal for a fee not to exceed 13% of payment earned.

### **TRAINING VENDORS**

Chaffey College Workforce Technical Institute of Chino has been retained to provide training for a fee of \$30,240. The College will provide training in courses under Continuous Improvement. Other trainers will be identified for ETP record-keeping purposes, as they are retained by Northrop Grumman TS.

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

8-240

Trainees may receive any of the following:

**COMMERCIAL SKILLS**

- Advance Maintenance Procedure
- Alternator
- Axle and Tire Assembly
- Battery
- Boom Hoist
- Brake Systems
- CTIS Systems
- Diagnostics/Troubleshooting Engine
- Drive Belts
- Drive Train Malfunctions
- Electrical
- Electrical Guages
- Electrical System
- Engine Oil Cooler/Lines
- Fuel Systems Malfunctions
- Generator Set
- Ground Guide Procedures
- HVAC
- Maintenance Familization
- MRAP Certification
- Operation of MRAP
- Recovery Procedures Overview
- Replace Muffler
- Replace Shock Absorber
- Replace Starter
- Replace Water Pumps
- Service Engine Assembly
- Steering Sytstems/Tie Rod Assembly
- Transmission
- Transmission Assembly
- Troubleshooting and repairs
- Vehicle Characteristics
- Vehicle Driving Operations
- Vehicle Preventive Maintenance Checks and Services (PMCS)
- Vehicle Self Recovery/Auxiliary Equipment/Flat Tow
- Winch System

**COMPUTER SKILLS**

- ALIMS Systems
- Information Systems
- Ready Blue Skills

**CONTINUOUS IMPROVEMENT**

- 5S
- Continous Improvement
- Correct Action/Preventive Action
- ISO
- Leadership Skills for Frontline Workers
- Project Management
- Quality Management Skills
- Root Cause Analysis
- Six Sigma Black Belt
- Six Sigma Green Belt
- Strategic Planning

**HAZARDOUS MATERIALS**

- Handling Hazardous Materials
- Hazardous Communication
- Hazardous Materials Awareness

**MANAGEMENT SKILLS** (for Managers and Supervisors only)

- Leadership Training
- Manager's Compensation Planning
- Performance Management
- Positive Engagement

**PL Hours**

0-50

**COMMERCIAL SKILLS**

- Trades Helper to Mechanic Training

Note: Reimbursement for retraining is capped at 240 total hours per trainee, regardless of method of delivery.



**TEAMSTERS, CHAUFFEURS, WAREHOUSEMEN,  
INDUSTRIAL & ALLIED WORKERS OF AMERICA  
LOCAL UNION No. 166**

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February 3, 2014

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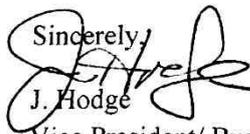
Re: California Employment Training Panel (ETP)

Dear Mrs. Moore,

The Teamsters Union Local 166 hereby endorses the Company's (Northrop Grumman) Efforts to secure additional technical and interpersonal skills training for our Teamsters Local 166 members employed at Fort Irwin, Ca. through the ETP.

The Union understands that the training will be done in accordance with the current Collective Bargaining Agreement.

If you have and further questions feel free to contact me at 760-256-0181 or [jhodgeteamsterslocal166@aol.com](mailto:jhodgeteamsterslocal166@aol.com)

Sincerely,  
  
J. Hodge

Vice President/ Business Representative

Teamsters Local 166

Cc: Mike Bergen

Secretary Treasurer

Teamsters Local 166

• RIVERSIDE & SAN BERNARDINO COUNTIES IN THEIR ENTIRETY, CA  
• AFFILIATED WITH INTERNATIONAL BROTHERHOOD OF TEAMSTERS