

DELEGATION ORDER



**Training Proposal for:
Oil-Dri Corporation of America
Agreement Number: ET15-0352**

Approval Date: December 4, 2014

ETP Regional Office: North Hollywood

Analyst: M. Paccereilli

PROJECT PROFILE

Contract Attributes:	Retrainee Priority Rate HUA	Industry Sector(s):	Manufacturing Priority Industry: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Counties Served:	Kern	Repeat Contractor:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Union(s):	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
Number of Employees in:	CA: 73	U.S.: 750	Worldwide: 800
<u>Turnover Rate:</u>	9%		
<u>Managers/Supervisors:</u> (% of total trainees)	12%		

FUNDING DETAIL

Program Costs	-	(Substantial Contribution)	(High Earner Reduction)	=	Total ETP Funding
\$48,960		\$0	\$0		\$48,960

In-Kind Contribution:	100% of Total ETP Funding Required	\$53,584
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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, Cont. Imp., HazMat, Mfg. Skills, Mgmt Skills	68	8-200	0	\$720	\$14.90
				Weighted Avg: 40			

Minimum Wage by County: \$14.90 per hour in Kern 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 \$2.40 per hour may be used to meet the Post-Retention Wage

Wage Range by Occupation

Occupation Titles	Wage Range	Estimated # of Trainees
Mill/Packaging/Operator		21
Hauloff/Quality Control Staff		5
Loader		3
Miner/Trucker		5
Maintenance Staff		14
Office Support Staff		4
Team Leader		8
Supervisor		2
Manager		6

INTRODUCTION

Founded in 1941, the Oil-Dri Corporation of America (Oil-Dri) (www.oildri.com) is a manufacturer of cat litter and supplier of specialty absorbent products for industrial, automotive, agricultural, horticultural and specialty markets. Its diversified markets contribute to Oil-Dri's uniqueness in the absorbent clay manufacturing industry. The Company's product line includes Cat's Pride®, Jonny Cat® as well as a variety of private label cat litters for major marketers and retailers.

To remain competitive, Oil-Dri is adding a new product line this year and investing \$1.2 million in the installation of new equipment (Jug Line 107 Scoopable Cat Litter and Processing Lines Automation). The Company is requesting ETP funds to train employees in the operation of the new systems and equipment impacting the areas of safety, quality and productivity.

The proposed training will help employees transition from the now defunct production models to those that support the new equipment and processes. This will be structured training that will provide workers the best opportunity for success during this transition and standardize operations. This is Oil Dri's first ETP Agreement.

PROJECT DETAILS

Historically, the bulk of Oil-Dri's training has been provided via on-the-job resulting in less than optimal results. In particular, it did not achieve standardization of work practices. The proposed training should allow the employees to become more effective and efficient in work tasks. There is an emphasis in Continuous Improvement, to foster a culture of problem solvers.

Training Plan

Manufacturing Skills (85%) – Training will equip all Production workers with the skills needed for equipment operation, preventive maintenance, production line operations and mining. Training will enable staff to understand manufacturing requirements, eliminate errors and perform more effectively in a manufacturing environment.

Business Skills (8%) – Training will be provided to all occupations in coaching, performance management, inventory control, teambuilding and production scheduling. Training will provide the necessary skills to improve team centricity, internal controls and data management.

Computer Skills (1%) – Training will be provided to all occupations in METHOS software, which focuses on maintenance management and company financial benefits. Training will also provide Office Support Staff with the skills to become proficient in the use of Microsoft Office.

Continuous Improvement (4%) – Training will be provided to all occupations and focus on 5S, GEMBA, process mapping, SPC Charting and visual management to improve quality, productivity and standardization within the company.

Hazardous Materials (1%) – Training will be provided to Operators and Miners to ensure safety precautions take place when handling hazardous materials.

Management Skills (1%) – Training will be provided to Managers and Supervisors in leadership, coaching and performance management skills to enable more effective leaders in a high performance workplace.

Commitment to Training

Oil-Dri spends approximately \$60,000 annually in training for New Hire Orientation, OSHA, Federal and State Regulations such as Environmental Protection Agency regulations, and on-the-job training in the operation of motor vehicles, forklifts and equipment. Safety training is provided in accordance with all pertinent requirements under state and federal law.

➤ Training Infrastructure

The Company has hired The IM Group to aide in the administration of the ETP program. Oil-

Dri's Human Resources Manager has been assigned as the main point of contact.

High Unemployment Area

All 56 trainees work in a High Unemployment Area (HUA) with unemployment exceeding the state average by at least 15%. The Company's locations in Kern County qualify for HUA status under these standards. However, Oil-Dri is not asking for a wage modification.

RECOMMENDATION

Staff recommends approval of this proposal.

DEVELOPMENT SERVICES

The IM Group in Fairfield, CT assisted with development of this proposal for a flat fee of \$2,875.

ADMINISTRATIVE SERVICES

The IM Group in West Hollywood will perform administrative services for a fee not to exceed 13% of payment earned.

TRAINING VENDORS

To Be Determined

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

8 -200

Trainees may receive any of the following:

MANUFACTURING SKILLS

- ✦ Construction Equipment Operations
- ✦ Conveyor Repair
- ✦ Crane Operator Certification
- ✦ Electrical Troubleshooting & Maintenance
- ✦ GE Phonics & Robotic Repair
- ✦ Mill Operator
- ✦ Mining Basics
- ✦ Pneumatics
- ✦ Preventive Maintenance
- ✦ Production Line – Jug, LB, Kit Kat Tray, 305/306 and 307
- ✦ Programmable Logic Controller
- ✦ Welding

BUSINESS SKILLS

- ✦ AIQ Advocate Boot Camp
- ✦ Facilitators Training
- ✦ Insights
- ✦ Inventory Control
- ✦ Teambuilding
- ✦ Production Scheduling
- ✦ Problem Solving
- ✦ Decision Making

COMPUTER SKILLS

- ✦ METHOS Software
- ✦ KRONOS Software
- ✦ Microsoft Office (Advanced & Intermediate)
Word, Excel, Access, PowerPoint

CONTINUOUS IMPROVEMENT

- ✦ 5 Why
- ✦ 5S
- ✦ 8D – Problem Solving
- ✦ GEMBA
- ✦ Process Mapping
- ✦ Quality Assurance
- ✦ Situation Appraisal
- ✦ SPC Charting/Testing
- ✦ Standard Operating Procedures
- ✦ Visual Management

HAZARDOUS MATERIALS

- ✦ HazMat Material & Management

MANAGEMENT SKILLS (Managers/Supervisors Only)

- + Coaching and Performance Management
- + Leadership Skills

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