



**Training Proposal for:
PGP International, Inc.**

Agreement Number: ET17-0234

Panel Meeting of: September 23, 2016

ETP Regional Office: Sacramento

Analyst: K. Mam

PROJECT PROFILE

Contract Attributes:	Priority Rate Retrainee HUA	Industry Sector(s):	Manufacturing Priority Industry: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Counties Served:	Yolo, Colusa	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: 170	U.S.: 2,500	Worldwide: 124,000
<u>Turnover Rate:</u>	18%		
<u>Managers/Supervisors:</u> (% of total trainees)	12%		

FUNDING DETAIL

Program Costs	-	(Substantial Contribution)	(High Earner Reduction)	=	Total ETP Funding
\$133,056		\$0	\$0		\$133,056

In-Kind Contribution:	100% of Total ETP Funding Required	\$136,137
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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	154	8-200	0	\$864	\$15.60
				Weighted Avg: 48			

*It will be made a condition of contract that the trainees in this Job Number will never be paid less than the State or local minimum wage rate as in effect at the end of retention regardless of the wage expressed in this table. The highest minimum wage rate will prevail.

Minimum Wage by County: \$15.60 per hour for Yolo and Colusa counties

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 \$4.60 per hour may be used to meet the Post-Retention Wage

Wage Range by Occupation

Occupation Titles	Wage Range	Estimated # of Trainees
Production Staff		104
Technical/Quality Staff		7
Administrative Staff		25
Supervisor/Manager		18

INTRODUCTION

PGP International, Inc. (PGP) (www.pgpint.com) is an ABF Ingredients Company, a division of Associated British Food PLC that was founded in 1983. The Company was originally known as Pacific Rice Products, Inc. and became an ABF Ingredient Company in 2002. PGP is a leading manufacturer and supplier of cereal food ingredients such as extruded particulates, rice flours and blends, and functional grain-based ingredients. The Company is headquartered in Woodland with rice milling and food extrusion facilities located in Colusa and Evansville, IN. Training under this proposal will be for the California facilities in Colusa and Woodland.

PROJECT DETAILS

This is PGP's fourth ETP Agreement, the second in the last five years. In the previous proposal, the Company focused on improving efficiencies, controlling costs, and maintaining quality. The Company is now shifting its focus to product customization. Each order has customer specific requirements and is not produced until the order is received, thus making product configuration more complex. Training is critical to meet customer demand.

The Company has also obtained several accreditations such as British Retail Consortium, a globally recognized standard for food safety, Non-GMO, GFCO (gluten-free) and ISO14001 environmental accreditation. These accreditations differentiate the Company's products from competitors. Trainees must understand new certifications and maintain adequate records. Training under this proposal will ensure that new standards are met.

In addition, PGP will implement a new ERP System over the next 2 years. Training under this proposal will enable employees to utilize the new system, streamlining operations and reducing cycle time. This will allow the Company to focus on infrastructure changes to improve quality, yields, productivity and employee morale. Although training topics are similar to those provided in prior Agreements, trainees will not repeat the same training courses previously received.

Training Plan

Classroom/laboratory will be provided by in-house subject matter experts and external training vendors as determined in the following:

Business Skills (15%): Training will be offered to all occupations. Training will focus on communication skills and workplace culture. Training topics include Performance Management, Change Management and Effective Meetings.

Computer Skills (30%): Training will be offered to all occupations. Training will focus on streamlining operations with current and new applications. Training topics include Microsoft Dynamics AX, Materials Requirement and Process Mapping and Database Administrator Skills.

Manufacturing Skills (30%): Training will be offered to all occupations. Training will focus on all employees learning Good Manufacturing Practices and Standard Operating Procedures.

Continuous Improvement (20%): Training will be offered to all occupations. Training will ensure the Company continues to implement a strong lean manufacturing culture. Training topics include Lean Manufacturing, 5S Program and Kanban Inventory System.

Certified Safety Training

Hazardous Materials (HAZMAT)(5%) This training is a series of courses, specific to industry sectors involved in the transport of hazardous materials. The coursework varies in length depending on the industry and the occupational title, as organized in five levels ranging from "first responder" to "incident commander." It is generally a minimum of 24 hours with an 8-hour annual refresher, and may be delivered by classroom. In this proposal, the Production Staff will receive up to 24 hours of training. Field training may be required, although not funded by ETP. Completion of the training results in a certificate that expands employment opportunities. This coursework is not under Cal-OSHA, but is administered under the Department of Transportation and CalTRANS. There are various certification entities for the coursework and instructors. In this proposal, the certification entity has not yet been determined.

Commitment to Training

PGP training budget for its California facilities is approximately \$50,000. The Company provides training in orientation, ethics and labor relations topics, and company benefits.

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

Human Resources will coordinate with department managers to schedule training and ensure documentation. The Company has also retained Training Funding Source to assist with administration of the project.

High Unemployment Area

Some trainees work in a High Unemployment Area (HUA), with unemployment exceeding the state average by at least 25%. The Company's location in Colusa qualifies for HUA status under these standards. However, PGP is not asking for a wage modification.

Substantial Contribution

PGP is a repeat contractor with payment of less than \$250,000 earned at the Woodland facility within the past five years. Therefore, Substantial Contribution does not apply.

RECOMMENDATION

Staff recommends approval of this proposal.

PRIOR PROJECTS

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

Agreement No.	Location (City)	Term	Approved Amount	Payment Earned \$ %
ET12-0168	Woodland	11/21/11 – 11/20/13	\$131,672	\$126,596 (96%)

DEVELOPMENT SERVICES

Training Funding Source in Seal Beach assisted with development for a flat fee of \$7,900.

ADMINISTRATIVE SERVICES

Training Funding Source will also perform administrative services for a fee not to exceed 13% of payment earned.

TRAINING VENDORS

N/A

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

8-200

Trainees may receive any of the following:

BUSINESS SKILLS

- + Business and Phone Etiquette
- + Change Management
- + Coaching and Conflict Resolution
- + Communication Skills
- + Effective Meetings
- + Giving and Receiving Feedback
- + Motivation and Goal Setting
- + Performance Management
- + Problem Solving – Root Cause Analysis
- + Product Knowledge
- + Project Management
- + Working Successfully with Others
- + Workplace Culture
- + Food Safety Modernization Act Education
- + British Retail Consortium Education

COMPUTER SKILLS

- + Database Administrator Skills
- + Microsoft Dynamics AX
- + ERP System
- + Materials Requirement and Process Mapping
- + Production Planning and Scheduling
- + Integrated Warehousing System
- + Operating Systems
- + Process Pro
- + Web Application

CONTINUOUS IMPROVEMENT

- + Decision Making/Problem Solving
- + Kaizen
- + Kanban Inventory System
- + Line Balancing
- + Leadership
- + Lean Manufacturing
- + Lean Waste Reduction (The 7 Wastes)
- + Quality Systems
- + 5S Program (Sort, Set, Shine, Standardize, Sustain)
- + Single Minute Exchange of Dies
- + Teambuilding
- + Total Preventive Maintenance
- + Work Procedures

HAZARDOUS MATERIALS (Ratio 1:40)

- + HAZMAT

MANUFACTURING SKILLS

- ✦ Good Manufacturing Practices
- ✦ Hazard Analysis & Critical Control Point
- ✦ Production Equipment/Tools (Preventative Maintenance)
- ✦ Standard Operating Procedures
- ✦ Shop Floor Data Collection

Safety Training cannot exceed 10% of total training hours per-trainee (This cap does not apply to Hazmat, OSHA 10/30 or HAZWOPER)

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