

DELEGATION ORDER



Training Proposal for:

Pacific Award Metals, Inc.

Agreement Number: ET16-0418

Approval Date: April 18, 2016

ETP Regional Office: North Hollywood

Analyst: J. Romero

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:	Los Angeles	Repeat Contractor:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Union(s):	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Los Angeles SMART Local Union 170		
Number of Employees in:	CA: 425	U.S.: 2,420	Worldwide: 2,420
<u>Turnover Rate:</u>	2%		
<u>Managers/Supervisors:</u> (% of total trainees)	19%		

FUNDING DETAIL

Program Costs	-	(Substantial Contribution)	(High Earner Reduction)	=	Total ETP Funding
\$65,592		\$0	\$0		\$65,592

In-Kind Contribution:	100% of Total ETP Funding Required	\$76,608
-----------------------	------------------------------------	----------

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., Mfg. Skills	60	8 - 200	0	\$900	\$16.48
				Weighted Avg: 50			
2	Retrainee HUA Priority Rate	Business Skills, Computer Skills, Cont. Imp., Mfg. Skills	14	8-200	0	\$828	*\$12.36
				Weighted Avg: 46			

*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 (Final Payment) regardless of the wage expressed in this table. The highest minimum wage rate will prevail.

Minimum Wage by County: Job Number 1: \$16.48 per hour for Los Angeles County; Job Number 2 (HUA): \$12.36 per hour for Los Angeles 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 \$2.34 per hour may be used to meet the Post-Retention Wage for Job Number 1 and up to \$1.00 per hour in Job Number 2.

Wage Range by Occupation		
Occupation Titles	Wage Range	Estimated # of Trainees
Job Number 1		
Manager		4
Frontline Supervisor		10
Production Worker		31
Administration Staff		9
Customer Service Staff		6
Job Number 2		
Production Worker		11
Administration Staff		3

INTRODUCTION

Founded in 1962 and located in Baldwin Park, Pacific Award Metals, Inc. (PAMI), (www.awardmetals.com) is a subsidiary of Gibraltar Industries, Inc. (Gibraltar). PAMI manufactures and distributes sheet metal products. Products include roof ventilation, roof trims,

flashing and rain ware, drywall trims, and specialized clips and connectors for concrete forming used in new construction, and repair and remodel segments in the construction industry.

The merger of Gibraltar and PAMI in 2011 started a consolidation of products, workforce and processes to have a progressive and consistent respond to changes in the industry. The merger has provided an increase in market area and product demand. Thus, the Company must upgrade worker skills. Training will help the Company stay competitive and become more efficient in producing parts that meet customer demands and are environmentally friendly. The Company plans to provide a structured company-wide training program to enhance employee skills and upgrade its current processes.

The Los Angeles SMART LOCAL 170 represents 74 employees who will be participating in this ETP Agreement and has provided a letter of support for this proposal. This will be PAMI's first ETP Agreement.

PROJECT DETAILS

PAMI's goal is to become more efficient in producing parts with the accurate utilization of resources and reduce waste within the process. Training focuses in Lean Manufacturing and Six Sigma to improve the Company's processes and Enterprise Resource Planning (ERP) to facilitate the management of PAMI's business activities from product planning, costing, manufacturing and service delivery.

Training Plan

PAMI will deliver classroom/laboratory training in the following:

Business Skills (4%): Training will be offered to Supervisors, Managers, Administration and Customer Service Staff. Trainees will learn to communicate better internally and externally. This training will develop trainee skill and confidence in the workforce and provide them a clearer understanding of products and processes.

Computer Skills (8%): Training will be offered to Managers, Supervisors, Administration and Customer Service Staff. Trainees will learn MS Office and the Company's DRP/ERP software to improve functionality, distribution and reduce errors and waste.

Manufacturing Skills (22%): Training will be offered to Production Workers and Frontline Supervisors. Trainees will be cross-trained on all production equipment to adapt to changing production runs. Lean Enterprise will become the driving force of the operations to allow for a more varied workforce to meet customer demand and increase sales.

Continuous Improvement (66%): Training will be offered to all occupations. PAMI will create teams to identify ways to reduce waste while improving manufacturing productivity and business operation efficiency. As training progresses, it is expected that Lean Manufacturing and its related techniques will lead to further ways to work more efficiently and reduce operating costs.

Commitment to Training

PAMI spends approximately \$10,000 annually in providing job-specific training. Training includes new-hire orientation, OSHA, sexual harassment prevention and first-aid.

PAMI 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

PAMI has qualified, in-house trainers to provide training. The Company has dedicated staff to scheduling and tracking training, and serve as ETP contacts. In addition, PAMI has engaged the services of a third party administrator for project administration.

High Unemployment Area

The trainees in Job Number 2 work in a High Unemployment Area (HUA), with unemployment exceeding the state average by at least 25%. The Company's location in Baldwin Park, Los Angeles County, qualifies for HUA status under these standards.

➤ Wage Modification

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. PAMI requests a wage modification from \$16.48 to \$12.36 in Los Angeles County for these trainees.

RECOMMENDATION

Staff recommends approval of this proposal.

DEVELOPMENT SERVICES

Kirkpatrick Enterprises International (KEI) in Valencia assisted with development at no cost.

ADMINISTRATIVE SERVICES

KEI 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 Operations and Procedures
- Business Communication Skills
- Advanced Customer Relationship Skills
- Project Management

COMPUTER SKILLS

- DRP/ERP Software and Reporting
- Intermediate and Advanced Microsoft Office

CONTINUOUS IMPROVEMENT

- Lean Manufacturing/6 Sigma
- Problem Solving/Root Cause
- Process Analysis
- Leadership Skills for Frontline Workers

MANUFACTURING SKILLS

- Production Equipment Usage
- Maintenance Skills

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.