



Training Proposal for:
Pacific Scientific Energetic Materials
Company (California) LLC
Agreement Number: ET15-0145

Panel Meeting of: June 27, 2014

ETP Regional Office: San Francisco Bay Area

Analyst: T. Teles

PROJECT PROFILE

Contract Attributes:	Priority Rate Retrainee HUA Job Creation Initiative	Industry Sector(s):	Manufacturing Priority Industry: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Counties Served:	San Benito	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: 390	U.S.: 687	Worldwide: 687
Turnover Rate:	2%		
Managers/Supervisors: (% of total trainees)	5%		

FUNDING DETAIL

Program Costs	-	(Substantial Contribution)	(High Earner Reduction)	=	Total ETP Funding
\$234,800		\$0	\$0		\$234,800

In-Kind Contribution:	100% of Total ETP Funding Required	\$318,024
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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, Continuous Impr, Literacy Skills, HazMat, Mfg Skills, PL-Mfg Skills	315	8-200	0	\$720	\$11.17
				Weighted Avg: 40			
2	Retrainee Priority Rate HUA Job Creation	Business Skills, Computer Skills, Continuous Impr, Literacy Skills, HazMat, Mfg Skills, PL-Mfg Skills	10	8-200	0	\$800	\$10.00
				Weighted Avg: 40			

*This is the highest state minimum wage that will go into effect during the term of this contract.

Minimum Wage by County: Job Number 1 (HUA): \$11.17 per hour for San Benito;

Job Number 2 (HUA Job Creation): \$9.14 per hour for San Benito

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 \$1.17 per hour may be used to meet the Post-Retention Wage for Job Number 1.

Wage Range by Occupation

Occupation Titles	Wage Range	Estimated # of Trainees
Job Number 1 - RETRAINEES		
Assembler, Inspector		144
Technical Staff		57
Administrative Staff		16
Program Management, Coordinator		83
Manager, Supervisor		15
Job Number 2 – JOB CREATION		
Assembler, Inspector		4
Technical Staff		4
Program Management, Coordinator		1
Manager, Supervisor		1

INTRODUCTION

Pacific Scientific Energetic Materials Company (California) LLC (PSEMC) (www.psemc.com) was founded in 1975. Today, the Company designs, develops and manufactures energetic materials, ordnance, electronics, lasers, pyrotechnics, and non-lethal vehicle “capture technologies.” Principle customers are in the aerospace, defense, oil & gas and law enforcement industries. The Company has two locations in California, Valencia and Hollister. Training will only be provided to the Hollister location.

PSEMC requires training because it must maintain its current military contracts and then also position itself to expand into commercial markets with new products. The Company must also maintain its high standards of quality and reliability in order to remain competitive.

Retrainee - Job Creation

In support of job creation, the Panel is offering incentives to companies that commit to hiring new employees. Under the Retrainee-Job Creation program, 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, PSEMC has committed to hiring 10 new employees as shown in Job Number 2. The Company is anticipating an increase in business due to new products being produced and overall market expansion. These new workers will require much training to be fully skilled in the Company's processes. To be eligible for reimbursement under this Job Number, the trainees must be hired within the three-month period prior to Panel approval or during the term of contract.

PROJECT DETAILS

Training Plan

Training is schedule to begin in July 2014 and will be provided by in-house staff subject matter experts. Vendors may be used if needed.

Business Skills (5%) - Training will be offered to Technical Staff, Program Management, and Coordinators in order to better communicate with customers and understand the Company's business system. To improve teamwork within the organization, trainees will receive training in teambuilding skills. Facilitation skills will train key personnel as trainers and meeting leaders.

Computer Skills (5%) - Training will be offered to all occupations. The knowledge of computer systems is needed to move product through the internal tracking systems, perform tests, record results, and create reports.

Continuous Improvement (5%) - Training will be offered to all occupations in order to better understand company's business model and the tools used by the organization. This training will provide the skills to identify problems and offer solutions which will streamline processes.

Literacy Skills (2%) - Training will be offered to Assemblers and Inspectors who require English as a Second Language, Math remediation, and reading comprehension. Training will improve the level of communication and understanding of procedures and processes needed to be successful and productive in their current positions and provide opportunities for advancement. Basic chemistry training will give trainees the required knowledge to perform required tests and to understand standards and procedures.

Hazardous Materials (5%) - Training will be offered to all staff required to work with or handle hazardous materials. The trainees will be taught how to work safely with hazardous products and how to handle chemical spills. This training will improve workplace safety and avoid the mishandling of hazardous materials.

Manufacturing Skills (48%) - Training will be offered to all Assemblers and Inspectors to ensure they are properly trained to perform the required process steps. The training will also provide cross training in order to prevent line stoppage at critical operations.

Productive Laboratory

Productive Laboratory (PL) trainees may produce goods for profit as part of the training, in the courses identified under the Curriculum. The instructor must be dedicated to training delivery during all hours of training. PL will be delivered to Assemblers, Inspectors, and Technical Staff.

PSEMC estimates that PL-Manufacturing training will average 40 hours and will be provided to 140 trainees in the following occupations: PL will be delivered with a trainer-to-trainee ratio of 1:1, not to exceed 1:2 at a maximum of 50 hours. Assemblers and Inspectors will receive up to 80% of their training as PL because the Company's products require extensive training to ensure the safety of workers and the facility. These occupations are identified for specific production operations and are trained to understand and comply with written processes and operating procedures for each operation.

Trainees will work with a qualified trainer to understand the documentation requirements as well as the operations required to perform the job. Trainees will perform the operation to the standards required by an Engineer or Supervisor after which they will take a test and must pass with 80% or greater.

Commitment to Training

PSEMC provides annual compliance training, new-hire orientation, job specific safety, on-the-job process training and equipment training on an as-needed basis. The Company's annual training budget for California is \$65,000. 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.

Electronic Recordkeeping

An in-house training administrator will use the Company's existing database as customized to conform with ETP's tracking and reporting requirements. The electronic recordkeeping system has been approved by ETP.

High Unemployment Area

The trainees work in Hollister, a High Unemployment Area (HUA) with unemployment exceeding the state average by at least 25%.

➤ 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. PSEMC is requesting this modification for Job Number 1 bringing wages to \$11.17 per hour. The Company is requesting a lesser HUA modification of 18% for Job Number 2 (Job Creation) bringing wages to \$10.00 per hour.

Temporary to Permanent Hiring

The trainees in Job Numbers 1 and 2 may come under Panel guidelines for “temporary to permanent” employment. PSEMC 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 the PSEMC. Until then, the PSEMC will not receive progress payments.

RECOMMENDATION

Staff recommends approval of this proposal and the HUA wage waiver for San Benito County.

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 Skills
- ✦ Teambuilding Skills
- ✦ Facilitation Skills
- ✦ How to Conduct Effective Meetings

COMPUTER SKILLS

- ✦ Microsoft Office – Intermediate and Advanced
- ✦ Access
- ✦ Project Management
- ✦ Solid Work
- ✦ AutoCad
- ✦ Agile

CONTINUOUS IMPROVEMENT

- ✦ Problem Solving Techniques
- ✦ Kaizen Events
- ✦ IDEA! System
- ✦ Critical Thinking Techniques
- ✦ How to Deliver Effective Performance Evaluations
- ✦ How to Create Career Development Plans

HAZARDOUS MATERIALS

- ✦ Explosives: Safe Handling & Use
- ✦ Weighing and Pressing Powders
- ✦ Lead Exposure Training
- ✦ Limited Hazardous Waste Training
- ✦ Standards of Hazardous Materials
- ✦ Process Safety Management
- ✦ Respirator Training
- ✦ Fire Extinguisher Training

MANUFACTURING SKILLS

- ✦ Operation of Micrometers
- ✦ Calipers
- ✦ Thread Gage
- ✦ Drawing Interpretation
- ✦ Sample Plan Use
- ✦ Visual Transactions
- ✦ Master Work Sheets
- ✦ NCR (Non Conformance Reports)
- ✦ Electro-Static Discharge
- ✦ Toll Gate Process
- ✦ Use of the Jobs Folder
- ✦ Work Order Review
- ✦ Use of Electronic Work Instructions
- ✦ In Process Inspection
- ✦ Final Inspection

- ✚ Use of Stamps
- ✚ Use of Electronic Work Instructions
- ✚ Use of Hand Tools
- ✚ Net Explosive Weight Training
- ✚ Torque Training
- ✚ Thread Gage Training
- ✚ Redline Process
- ✚ Stamp Usage
- ✚ American Society for Non Destructive Testing 1472
- ✚ National Aerospace Standard 410
- ✚ IPC610 Certification – Acceptability for Electronic Assemblies
- ✚ J-Standard Solder
- ✚ Helium Leak Detection

Safety Training will be limited to 10% of total training hours per-trainee

LITERACY SKILLS

- ✚ Basic Math
- ✚ Reading Comprehension at an 8th grade level
- ✚ English as a Second Language
- ✚ Basic Chemistry

Literacy Training cannot exceed 45% of total training hours per-trainee

PL Hours

0–50

MANUFACTURING SKILLS

- ✚ Command Media Documentation
- ✚ Quality Control Media
- ✚ Standard Operation Procedures
- ✚ Manufacturing Process Steps

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