

DELEGATION ORDER



**Amendment #3 Proposal for:
Pacific Sintered Metals, A Division of PSM Industries, Inc.
Agreement Number: ET13-0405**

Approval Date: April 7, 2015

Effective Date: Upon Approval

ETP Regional Office: North Hollywood

Analyst: M. Paccerelli

CURRENT PROJECT PROFILE

| | | | |
|------------------------|---|---------------------------|---|
| Contract Type: | Priority/SB<100 HUA - Retrainee | Industry Sector(s): | Manufacturing |
| Counties Served: | Los Angeles | Repeat Contractor: | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No |
| Union(s): | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | Priority Industry: | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No |
| Current Contract Term: | June 30, 2013 to June 29, 2015 | Substantial Contribution: | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |

CURRENT FUNDING

| |
|-----------------|
| Current Funding |
| \$43,680 |

AMENDMENT FUNDING

| | |
|-------------------|---------------|
| Requested Funding | Total Funding |
| +\$6,240 | \$49,920 |

AMENDMENT 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 | | |
| 2 | Priority/SB<100 HUA Job Creation | Business Skills; Computer Skills; Cont. Imp.; Mfg. Skills | 10 | 8-80 | 0 | \$1,144 | *\$10.01 |
| | | | | Weighted Avg: 44 | | | |

*It is a condition of the current Agreement that the trainees in this Job Number will never be paid less than the statewide minimum wage rate as in effect at the end of retention (Final Payment) regardless of the wage expressed in this table.

Minimum Wage by County: Job Number 2 (Job Creation/HUA): \$10.01 per hour in 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

Up to \$1.51 per hour may be used to meet the Post-Retention Wage

INTRODUCTION

Pacific Sintered Metals, a Division of PSM Industries, Inc. (PSM) is a manufacturer of metal components for the aerospace, automotive, sports, and communications industries. PSM specializes in powder metallurgy fabrication, which the Company uses to produce complex precision parts with high durability.

PSM is facing growing pressure in the areas of productivity, quality, and costs. In response to these industry challenges, the Company has made a commitment to improve the skills of its employees through Lean Manufacturing and related continuous improvement principles. In addition, the Company hired new employees to help expand existing business capacity and keep pace with rising customer demand.

AMENDMENT DETAILS

PSM is requesting additional hours of training for the newly hired trainees in Job Number 2. This would increase the weighted average hours per trainee from 20 to 44, and increase the Average Cost per Trainee by \$624 (from \$520 to \$1,144). Overall, the Agreement amount would increase by \$6,240 (from \$43,680 to \$49,920).

RECOMMENDATION

Staff recommends approval of this Amendment.

SUMMARIZE PRIOR MODIFICATIONS

- Revision 1: Revised the contract term end date by six months (18-month contract)
- Revision 2: Increased the Range of Hours from 8-60 to 8-80 and extended the contract term by another six months (24-month contract)

CURRENT CONTRACT PERFORMANCE

The following table summarizes performance by PSM under the current ETP Agreement:

| Agreement No. | Approved Amount | Term | No. Trainees Enrolled | No. Completed Training | No. Retained |
|---------------|-----------------|------------------------|-----------------------|------------------------|--------------|
| ET13-0405 | \$43,680 | 06/30/13 – 06/29/15 | 107 | 0 | 0 |

Based on the ETP Online Tracking System, PSM has provided 100% of the total training hours.