



RETRAINEE - JOB CREATION

Training Proposal for:

Parco Holdings, LP

Agreement Number: ET15-0367

Approval Date: February 3, 2015

ETP Regional Office: Sacramento

Analyst: W.Sabah

PROJECT PROFILE

Contract Attributes:	Retrainee SET Job Creation Initiative HUA	Industry Sector(s):	Services Priority Industry: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Counties Served:	Sacramento, Placer, Fresno, Kern, San Mateo, Santa Clara	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: 317	U.S.: 347	Worldwide: 347
<u>Turnover Rate:</u>	18%		
<u>Managers/Supervisors:</u> (% of total trainees)	N/A		

FUNDING DETAIL

Program Costs	-	(Substantial Contribution)	(High Earner Reduction)	=	Total ETP Funding
\$59,700		\$0	\$0		\$59,700

In-Kind Contribution:	100% of Total ETP Funding Required	\$72,000
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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 SET	Business Skills, Commercial Skills, Computer Skills, Continuous Improvement	12	8-60	0	\$600	\$27.09
				Weighted Avg: 40			
2	Retrainee HUA SET	Business Skills, Commercial Skills, Computer Skills, Continuous Improvement	60	8-60	0	\$600	\$11.17
				Weighted Avg: 40			
3	Retrainee Job Creation Initiative HUA SET	Business Skills, Commercial Skills, Computer Skills, Continuous Improvement	15	8-100	0	\$1,100	*\$9.14
				Weighted Avg: 55			

*It will be made a condition of contract 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 1 (SET): \$27.09 per hour for Sacramento, Placer, San Mateo, and Santa Clara Counties; Job Number 2 (SET/HUA): \$11.17 per hour in Fresno and Kern Counties; Job Number 3 (Job Creation/HUA): \$9.14 per hour for Fresno and Kern 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 \$2.50 per hour may be used to meet the Post-Retention Wage.

Wage Range by Occupation		
Occupation Titles	Wage Range	Estimated # of Trainees
Job 1		
Frontline Managers		12
Job 2		
Frontline Managers		6
Wait Staff		32
Kitchen Staff		22
Job 3		
Wait Staff		10
Kitchen Staff		5

INTRODUCTION

Parco Holdings, LP (Parco Holdings) and Stripes Restaurants, Inc. are management companies that have common majority ownership interests in four T.G.I. Fridays and other major restaurants. Parco Holdings will hold the contract to train employees of its own as well as its affiliate's, Stripes Restaurant, Inc.

The proposed training will only be provided to restaurant employees located in Sacramento, Rancho Cordova, Elk Grove, Roseville, Fresno, San Mateo, Cupertino and Bakersfield. Parco Holdings is eligible for ETP funding under Special Employment Training (SET) for frontline workers.

Need for Training

Parco Holdings is looking to establish exceptional customer service and increase its market share by implementing an extensive and advanced training program for their employees. The Company determined more full-time employees are needed rather than depending heavily on part-time employees as in previous years. Full-time staff will lend itself to continuity, higher quality of services and stable intellectual capital over the years. In addition, Parco Holdings is placing heightened emphasis on food product safety and food grade sanitation practices to provide customers with high quality products.

To achieve these changes, the Company will implement a training program on advanced customer service skills, food product safety, restaurant sanitation and maintenance, and internal computer applications.

Retrainee - Job Creation

In support of job creation, the Panel offers incentives to companies that commit to hiring new employees. Training for newly-hired employees will be reimbursed at a higher rate, and trainees will be subject to a lower post-retention wage.

In 2014, Parco Holdings increased their sales by approximately 5-10%. The Company currently employs a combination of part-time and full-time employees at their restaurants; however, the Company has decided to hire more full-time employees to create long-term stability of staff and a higher quality of service to customers. Parco Holdings' commitment to expand existing business capacity by adding newly-hired employees to an existing function will warrant Job Creation.

Parco Holdings has committed to hiring fifteen new employees (Job Number 3). The date-of-hire for trainees will be within the three-month period before contract approval or within the term-of-contract. Trainees will be hired into "net new jobs" as a condition of contract.

Training Plan

Business Skills (30%): Training will be provided to all occupations and will be job specific. Training course topics will include Customer Service Skills, Effective Communications, Web-Based and Social Media Marketing, and Strategic Planning. Managers will receive training in all course topics; Wait Staff will receive training in Customer Service Skills, Effective Communications, and Web-Based and Social Media Marketing; and Kitchen staff will receive training in Customer Service Skills and Effective Communications.

Training will focus on marketing strategies to promote sales and the technical methods of staging, handling grievances, order accuracy, strategies, and professionalism to improve

customer satisfaction. Furthermore, training in Strategic Planning will allow Managers to improve implementation plans based on the company's needs, internal audits, market analysis and employee surveys.

Commercial Skills (20%): Training will be offered to Kitchen Staff and will include Restaurant Equipment Operation, Sanitation, and Maintenance. Trainees will learn the proper technique and safe use of grills, deep fryers, broilers and various slicers and mixers. In addition, training will focus on sanitation and preventative maintenance of the equipment. This training is portable in the industry.

Computer Skills (35%): Training will be offered to all occupations. Trainees will learn to effectively use the Company's new Point of Sale System (POS) and Hot Scheduler System. The POS training will allow trainees to learn multiple options for ticketing and order entry, unlimited menu items with flexible pricing and discounts, fresh sheets, customer and employee databases, online reservations, and table tracking. The Hot Scheduler System will allow managers to track, organize, and schedule labor needs. Training aims to improve customer service, time management, delivery of product, and efficiency.

Continuous Improvement (15%): Training will be offered to all occupations and will include Food Product Safety, Leadership, and Teambuilding. Training will focus on skills that will help the Company achieve goals through increased productivity, quality improvement, enhanced teamwork, and developing stronger frontline leadership.

Special Employment Training

Under SET, the participating employer is not required to demonstrate out-of-state competition. To qualify under SET, trainees must be earning at least the statewide average hourly wage at the end of the retention period.

In addition, Frontline Managers in Job Numbers 1 & 2 meet the ETP frontline workers definition instead of the ETP Supervisor/Manager definition. In accordance with ETP guidelines, Frontline Managers are eligible for ETP funding under Special Employment Training (SET) for frontline workers.

Wage Modification

The 75 trainees in Job Numbers 2 & 3 work in a High Unemployment Areas (HUA). These are regions with unemployment exceeding the state average by 25%, under the Panel's standards. The Company's locations in Fresno and Kern Counties qualify for HUA status under these standards.

Trainees qualify for the ETP HUA Minimum Wage of \$11.17 per hour for Job Number 2 and \$9.14 per hour for Job Number 3 in Fresno and Kern Counties. The Panel may modify the ETP Minimum Wage for these trainees by up to 25% if post-retention wages exceed the start-of-training wages.

Commitment to Training

Parco Holdings currently has an annual training budget of \$15,000 and includes state mandated safety training, new employee orientation and basic job skills training for all occupations.

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.

RECOMMENDATION

Staff recommends approval of this proposal.

DEVELOPMENT SERVICES

Parco Holdings retained Strategic Business Solutions, LLC in Visalia to assist with development of this proposal for a flat fee of \$4,347.

ADMINISTRATIVE SERVICES

Strategic Business Solutions, LLC will also perform administrative services in connection with this proposal for a fee not to exceed 13% of payment earned.

TRAINING VENDORS

To Be Determined

Exhibit B: Menu Curriculum

Class/Lab Hours

Job 1 & 2: 8-60
Job 3: 8-100

Trainees may receive any of the following:

BUSINESS SKILLS

- Customer Service Skills
- Effective Communications
- Web-Based and Social Media Marketing
- Strategic Planning

COMMERCIAL SKILLS

- Restaurant Equipment Operation, Sanitation, and Maintenance

COMPUTER SKILLS

- POS System
- Hot Scheduler Software

CONTINUOUS IMPROVEMENT

- Food Product Safety
- Leadership
- Teambuilding

Safety Training cannot exceed 10% of total training hours per-trainee

Note: Reimbursement for retraining is capped at 60 total training hours per trainee for Job Numbers 1 and 2, and 100 total training hours per trainee for Job Number 3, regardless of the method of delivery.