



**Training Proposal for:
Perillo Industries, Inc. dba
Century Electronics**

Small Business \leq \$50,000

ET15-0118

Panel Meeting of: June 27, 2014

ETP Regional Office: North Hollywood **Analyst:** E. Fuzesi

CONTRACTOR

- Type of Industry: Manufacturing

 - Number of Full-Time Employees
 - California: 37
 - Worldwide: 38
 - Number to be trained: 29
 - Out-of-State Competition: NAICS Code Eligible
 - Special Employment Training (SET): Yes No
 - High Unemployment Area (HUA): Yes No
 - Turnover Rate: 10%
 - Repeat Contractor: Yes No
- Priority Industry: Yes No
- Owner Yes No

FUNDING

- Requested Amount: \$41,470
- In-Kind Contribution: \$37,270

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 SB<100	Continuous Impr., Manufact. Skills	29	8-120	0	\$1,430	\$14.90
				Weighted Avg: 55			

- Reimbursement Rate: \$26 SB Priority
- County(ies): Ventura County
- Occupations to be Trained: Administrative Staff, Engineer, Production Staff, Manager, Owner
- Union Representation: Yes
 No
- Health Benefits: \$5.76 per hour

SUBCONTRACTORS

- Development Services: N/A
- Administrative Services: N/A
- Training Vendors: To Be Determined

OVERVIEW

Founded in 1973 and headquartered in Newbury Park, Perillo Industries Inc. dba Century Electronics (Perillo) (www.centuryele.com), designs and manufactures high-reliability custom and standard power supplies, converters and inverters for military, aerospace, space and industrial applications.

As a result of the federal budget cuts in 2013, Perillo received fewer government contracts, and competition increased. To compete for available contracts, Perillo increased its product lines, enhanced its marketing and increased its sales force by hiring two additional sales representatives.

In addition, Perillo determined that quality certifications will give the Company a competitive edge by meeting more stringent product standards set by IPC J-STD-001 and IPC-610. These industry-developed certification programs will improve employee performance for electronics manufacturing and assembly, and certification is crucial for exporting products globally. The STD-001 standard describes materials, methods verification criteria for producing high-quality soldered interconnections, while the IPC-610 is the most widely used inspection standard in the electronics industry.

Training Plan

Continuous Improvement (75%) – Training will be offered to all occupation to upgrade the skills. J-STD-001 and IPC-610 will certify new trainees and recertify formerly trained personnel in Printed Circuit Boards Wire Prep and Terminals, emphasizing process control and establishing industry-consensus requirements for a broad range of electronic connections. Project Management will cover the techniques necessary to seeing a project through using the most advantageous methods available. International Traffic in Arms Regulations (ITAR) training, a set of United States government regulations controlling the export and import of defense-related articles and services, will facilitate Perillo's export activities.

Manufacturing Skills (25%) – Training will be offered to Production Staff, Engineers and Managers. Training in Lean Manufacturing will focus on principles of the most efficient economical practices.

Temporary to Permanent Hiring

Some trainees in production occupations come under Panel guidelines for “temporary to permanent” employment. Perillo has retained these employees through a temporary agency, with the intention of hiring them into full-time, permanent positions after training. It is Perillo's practice to hire employees in these positions through temporary agencies and train them in specific skill sets.

These trainees must be determined eligible to participate in ETP-funded training before the start of training, while on payroll with the temporary agency. (Unemployment Insurance Code Section 10201(c).) However, the retention and post-retention wage requirements cannot be satisfied until after they have been hired by Perillo on a permanent full-time basis.

Modifications

Contract Term Extension

Small business proposals have a 12-month term unless the company requests an extension. In consideration of the recertification schedules requirements and other proposed training topics such as ITAR and Project Management, Perillo is requesting an additional 12 months (24 months total) to increase flexibility and allow for uninterrupted production while providing training.

Training Hours

Small business proposals are capped at 60 hours per trainee unless the contractor can justify an increase. Perillo is requesting a maximum of 120 hours of ETP-funded training for a newly hired Manager, and an Assembler (Production Staff). Both have good supervisory skills and will have additional responsibilities added to their job-requirements. These trainees will take ITAR, Project Management, and Lean Manufacturing which brings them up to 120 hours. Most trainees will receive an average of 55 training hours.

RECOMMENDATION

Staff recommends approval of this proposal including the additional training hours and the contract term extension.

Exhibit B: Menu Curriculum

Class/Lab Hours

8-120

Trainees may receive any of the following:

CONTINUOUS IMPROVEMENT

- IPC-610
- ITAR
- J-STD-001
- Project Management

MANUFACTURING SKILLS

- Lean Manufacturing

Note: Reimbursement for retraining is capped at 120 total hours per trainee, regardless of method of delivery.