Retrainee – Job Creation
Training Proposal for:
Preferred Manufacturing Services Inc. dba Snowline Engineering

Small Business ≤ $50,000

ET15-0278

Panel Meeting of: August 22, 2014

ETP Regional Office: Sacramento **Analyst:** M. Mazzone

CONTRACTOR

- Type of Industry: Manufacturing

  Priority Industry: ☒ Yes ☐ No
- Number of Full-Time Employees

  California: 82

  Worldwide: 82

  Number to be trained: 85

  Owner ☒ Yes ☐ No
- Out-of-State Competition: NAICS Code Eligible
- Special Employment Training (SET): ☐ Yes ☒ No
- High Unemployment Area (HUA): ☐ Yes ☒ No
- Turnover Rate: 7%
- Repeat Contractor: ☒ Yes ☐ No

FUNDING

- Requested Amount: $49,946
- In-Kind Contribution: $43,882

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 SB <100 Priority Rate	Mgmt Skills, Business Skills, Computer Skills, Continuous Impr, Mfg Skills, PL Mfg Skills	77	8 - 60 Weighted Avg: 21	0	$546	$14.90
2	Retrainee Job Creation Initiative SB <100 Priority Rate	Mgmt Skills, Business Skills, Computer Skills, Continuous Impr, Mfg Skills, PL Mfg Skills	8	8 - 60 Weighted Avg: 38	0	$988	$12.19

- Reimbursement Rate: Job #'s 1 & 2: $26 SB Priority
- County(ies): El Dorado County
- Occupations to be Trained: Machine Operator, Welder, Fabricator, Painter, Quality Assurance Inspector, Shipping/Receiving Staff, Production Staff, Administrative Staff, Manager, Supervisor, Owner
- Union Representation: ☐ Yes ☒ No
- Health Benefits: Job #1: $2.84 per hour Job #2: $2.19 per hour

SUBCONTRACTORS

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

OVERVIEW

Preferred Manufacturing Services Inc. dba Snowline Engineering (Snowline Engineering) was founded in 1966, and purchased by the current owners in 1998. The Company operates as a machine and precision sheet metal fabrication shop. Their products are built to meet unique specifications for the designers of military aircraft, healthcare equipment, and advanced robotics. Snowline Engineering's customer base includes, but is not limited to, Northrop Grumman, Lockheed Martin, Siemens Healthcare, Siemens Mobility and Schilling Robotics.

Need for Training

Snowline Engineering is projecting to grow by 12% each year over the next five years, and this growth significantly increases the need for a specialized workforce. Specialized skills are in short supply in the local labor market. As such, the majority of staff has required training from the ground up. Staff will be trained on new equipment that has recently been purchased including two Matsuura H. Plus 405 Horizontal Machining Centers, a Matsuura Cell Management System, CNS Hass lathe and a Computer Measuring Machine (CMM).

A portion of the projected growth is related to Snowline Engineering's entrance into the semi-conductor market. The cosmetic and deviation requirements in this market are much more critical than in the industries that Snowline Engineering currently services. The proper specialized training will ensure that Snowline Engineering is successful in their launch into this new industry.

Incumbent employees will receive training on the new equipment, processes, and procedures, as well as continuous improvement training. Incumbent workers who did not receive all or part of the training from the previous curriculum will have the opportunity to do so during the new contract term.

Retrainee - Job Creation

With the expected growth of the business, Snowline Engineering plans to add approximately eight new employees (Job Number 2) in occupations across-the-board from Managers to Productions Staff. 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 the contract.

These new employees will need to be trained in the Company's Quality Management System, as well as in the specific skills offered previously. Therefore, some of the training from the previous Agreement will be repeated to give new employees the opportunity to gain those skills.

Training Plan

Snowline Engineering will provide the following types of training using Class/Lab and Productive Lab training delivery methods.

Business Skills – Training will be offered to all trainees; however, the focus will be on the Owner, Managers, Supervisors and Administrative Staff. Course topics will include strategic planning, marketing, financial planning, sales, and customer service skills. Training is designed to strengthen priority setting, streamline operations and products, establish outcomes/results, and assess and adjust the Company's direction in response to new technology and customer demands.

Computer Skills – Training will be offered to all trainees to expand and enhance their skill set. Training will focus on each occupation's needs and include topics such as Enterprise Resource Planning Systems (E2 Systems), Solidworks, and AutoCAD. Training will enable employees to perform their job duties using company-required computer systems/software.

Continuous Improvement – Training will be offered to all trainees to expand and enhance their skill set. Training will focus on each occupation's needs and include ISO Quality Management Systems, statistical process control, aerospace standards, 5S, Lean manufacturing, frontline decision making, problem solving, and team building. Improving the overall production efficiency and quality is a major goal of the Company.

Manufacturing Skills - Training will be offered to Machine Operators, Welders, Fabricators, Painters, Quality Assurance Inspectors, Shipping/Receiving Staff, Production Staff, and Supervisors. Training will include, but is not limited to, blue print reading, understanding and producing shop travelers/routers, part identification, shipping and receiving, defensive driving, and welding to discrete specification. Training will help employees reduce risk, be more efficient, and acquire the skills needed to perform equipment/operations related tasks.

Management Skills – Training will be offered to the Owner, Supervisors and Managers only. Tenured employees that have been promoted from within require training in how to provide effective leadership, improve efficiencies, and how to motivate staff. Training topics will include teambuilding, coaching/motivation, and leadership skills.

Productive Lab (PL)

Manufacturing Skills - Training will be offered to Machine Operators, Welders, Fabricators, Quality Assurance Inspectors, Painters, Production Staff and Shipping/Receiving Staff. PL training will supplement Class/Lab training to strengthen employees' understanding of how to perform equipment/operations related tasks. Staff will receive training on the operation of multiple production machines including: lathe, mill, laser, water jet, brake press, weld center, CMM machine, CNC saw, tool grinder and band saw. In addition to hands on machine training, staff will receive job specific training in blue print reading, inspection tools, shop travelers, quality control, handling foreign objects, setup and teardown techniques and parts/material identification.

Incumbent workers in Job Number 1 will receive between 0 – 10 hours of PL training, the newly-hired employees in Job Number 2 will receive between 0 – 20 hours of PL training.

The trainer-to-trainee ratio for PL training will not exceed 1:1. The trainer will be an expert in the course topic and will provide demonstration of the process prior to observing the trainee perform the task. Coaching and mentoring will be provided by the trainer until the trainee has been determined to be competent in the area. During PL training, production is expected to decrease by 20% and an increase in defects and waste will also be present.

Work Sharing

Work Sharing is a program available to employers who reduce employee wages and hours as an alternative to layoffs. The program is operated by the Employment Development Department. Trainees who participate in Work Sharing qualify for a retention period of 500 hours in 180 days. This extended retention period applies to workers participating in Work Sharing.

RECOMMENDATION

Staff recommends approval of this proposal.

PRIOR PROJECTS

The following table summarizes performance by Snowline Engineering under an ETP Agreement that was completed within the last five years:

Agreement No.	Location (City)	Term	Approved Amount	Payment Earned $ %
ET13-0316	Cameron Park	03/08/13 – 07/07/14	$39,988	$0.00 (0 %)*
ET11-0312	Cameron Park	06/21/11 – 06/20/12	$29,952	$19,410 (65%)
ET09-0474	Cameron Park	03/01/09 – 02/28/11	$61,360	$29,056 (47%)

**Final invoice was submitted on 8/4/14.*

ET13-0316: The contractor has submitted a final invoice and is projected to earn $39,988 (100%). Based on the number of training hours uploaded and the number of trainees retained, the contractor has an earned-in-process amount of $39,988.

ET11-0312: Company representatives state that the contract fell slightly short of earning 70% of the Agreement amount because the Company was forced to lay off employees. The Company's business is cyclical in nature (demand for products may increase or decrease in any given month). In spite of the cyclical nature of their business, the Company's training is ongoing and employees were re-hired to meet demand.

ET09-0474: Snowline's poor prior performance was attributed to inexperience in participating in the program and low demand of its products. This was the Company's first ETP Agreement and they were not aware of the requirements of the contract. Additionally, because of the low demand, the Company had to participate in work sharing. They were not aware that ETP had work share guidelines and did not request a modification. Consequently, some employees did not meet retention.

Exhibit B: Menu Curriculum

Class/Lab Hours

8-60 Trainees may receive any of the following:

BUSINESS SKILLS

- Strategic Planning
- Marketplance Analysis
- Marketing
- Time Management
- Sales Training
- Communication Skills
- Customer Service Skills
- Project Management Skills
- Financial Planning
- Accounting Cross-Training

COMPUTER SKILLS

- Intermediate and Advanced Microsoft Office
- Enterprise Resource Planning System (E2 Systems)
- Computer-Aided Design/Computer-Aided Manufacturing
- Solidworks
- AutoCAD
- SurfCAM
- Virtual Gibbs
- PED (Portable Electronic Device)

CONTINUOUS IMPROVEMENT

- ISO Quality Management Systems
- AS9100/ISO 9001 Procedures
- Lean Manufacturing
- Statistical Process Control
- Production Waste Reduction
- AS – Aerospace Standards
- Coordinate Measuring Machines
- Laser Scanning
- Geometric Dimensioning and Tolerances
- Inventory Materials Control
- Supply Chain Management
- Document Control System
- Problem Solving and Decision Making
- High Performance Work Teams
- Quality Management Requirements
- Strategic Planning
- 5S

MANAGEMENT SKILLS (Managers, Supervisors and Owner only)

- Leadership Skills
- Coaching/Motivation Skills
- Team Building

MANUFACTURING SKILLS

- Blue Print Reading
- Inspection Tools
- Shop Travelers/Router
- Deburring Techniques
- Quality Control Processes
- Handling Foreign Object Debris
- Tool Crib Management
- Setup and Teardown Techniques
- Material/Tool Identification and Application
- Material Receiving
- Part Identification
- Machine Control and Operation
- Welding to Discrete Specification
- ANSI Welding Symbols and Terminology
- Floor Inspection
- Machine Maintenance
- Inventory Control
- Shipping and Receiving
- Forklift Operation
- Defensive Driving

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

Productive Lab Hours

Job Number 1: 0-10 hours
Job Number 2: 0-20 hours

MANUFACTURING SKILLS (Ratio 1:1)

- Blue Print Reading
- Inspection Tools
- Shop Travelers/Router
- Deburring Techniques
- Quality Control Process
- Machine Specific Training
  A. Lathes
  B. Mills
  C. Laser
  D. Waterjet
  E. Brake Press
  F. Weld Centers

G. CMM Machine
H. CNC Saw
I. Tool Grinder
J. Band Saw

- ❖ Handling Foreign Objects
- ❖ Tool Crib Management
- ❖ Setup and Teardown Techniques
- ❖ Part and Material Identification
- ❖ Material Receiving
- ❖ Forklift Operations
- ❖ Machine Maintenance
- ❖ Basic Machinery
- ❖ Welding to Discrete Specifications

Note: Reimbursement for retraining is capped at 60 total hours per-trainee, regardless of method of delivery.