



**Training Proposal for:
Primary Freight Services, Inc.**

Small Business ≤ \$50,000

ET16-0271

Approval Date: November 16, 2015

ETP Regional Office: San Diego

Analyst: J. Davey

CONTRACTOR

- Type of Industry:
 - Transportation/Logistics
 - Warehousing
 - Priority Industry: Yes No

- Number of Full-Time Employees
 - California: 40
 - Worldwide: 55
 - Number to be trained: 40
 - Owner Yes No

- Out-of-State Competition: Customers Outside CA
- Special Employment Training (SET): Yes No
- High Unemployment Area (HUA): Yes No
- Turnover Rate: 15%
- Repeat Contractor: Yes No

FUNDING

- Requested Amount: \$49,920
- In-Kind Contribution: \$49,985

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	Business Skills, Commercial Skills, Computer Skills, Continuous Improvement	40	8-110	0	\$1,248	\$16.02
				Weighted Avg: 48			

- Reimbursement Rate: Job #1: \$26 SB Priority
- County(ies): Orange
- Occupations to be Trained: Administrative Staff, Customer Service Staff, Managers, Sales Staff, Warehouse Staff
- Union Representation: Yes Chemical and Production Workers Union Local 30
 No
- Health Benefits: Job #1: \$3.64 per hour

SUBCONTRACTORS

- Development Services: Kirkpatrick Enterprises International in Valencia assisted with development of this proposal at no charge
- Administrative Services: Kirkpatrick Enterprises International will also assist with administration of this proposal for a fee not to exceed 10% of earned amount.
- Training Vendors: Kirkpatrick Enterprises International will provide Business Skills for a fee to be determined.

OVERVIEW

Operating since 1998 and headquartered in Buena Park, Primary Freight Services, Inc. (PFS) (www.primaryfreight.com) provides import and export services in both ocean and air freight under the security and compliance guidelines of the Transportation Security Administration (TSA) and U.S. Customs. Its services include sales & marketing, order tracking and follow up, consolidation, warehousing, and distribution. PFS is a preferred shipper for both domestic and international customers, typically retailers and manufacturers, because of its ability to handle international customs clearance requirements. The Company meets ETP out-of-state competition requirements, and is a Panel priority industry.

PFS is currently growing, with plans to increase its customer base and provide more services to new and existing clients and develop more international trade in California. To ensure this

growth the Company is changing its IT platform to improve its current system which has become outdated and inefficient. The new system will assist Sales Staff in tracking current client's needs and assist in finding new areas to increase sales. The new system will also improve order tracking warehousing and distribution services.

All employees are represented by the Chemical & Production Workers Union Local 30, which has provided a letter of support for the proposed training.

Training Plan

In its first ETP project, training was designed to assist PFS in developing an entirely new domestic freight operation to satisfy customers' requests, to learn how to operate its new warehouse space as efficiently as possible, and to grow its customer base for its existing air freight branch. PFS reports that many of the skills provided in this proposal are the same skills provided in the previous project. However, the training in this project is different from the last project in two ways. First, due to the labor unrest in the Ports of Los Angeles/Long Beach, the Company could not finish some of the skills identified in the curriculum. (In late 2014/early 2015, the International Longshore and Warehouse Union initiated a "work slow-down" at the Port of Los Angeles, which has been resolved). Even though it performed at 98.9% of earned funds, many of the skills it needed to provide were redirected to technical training for its technicians. Second, the proposed training project will focus on the sales development of less experienced staff, complete re-training of all company staff due to a new operational and pricing/quoting system to be used company wide.

Business Skills - This training will be offered to all occupations to improve response time and quality of internal and external customer service. Project Management, while applicable to many functions, will focus primarily on sales and customer service staff that develop and administer individual customer accounts.

Commercial Skills - This training will be offered to all occupations to stay abreast of ever-changing national and international freight compliance rules. All employees must learn TSA and U.S. Customs requirements and become certified. Staff will also cross-train in several existing functions to reduce downtime, and learn the warehouse skills needed to take delivery on, process, store, and transport under established documentation, security, and compliance laws.

Computer Skills - This training will be offered to all occupations to learn the functions of PFS' proprietary freight management and customer relationship software that organizes, manages, and expedites operations. Staff will then be able to assist customers and agents with access to cargo information on the Company's website. Training also includes advanced Microsoft Office usage to improve consistency and accuracy in daily activities.

Continuous Improvement - This training will be offered to all occupations. Trainees will learn how to streamline processes and integrate all departments into a lean, well-organized, efficient operation. Trainees will learn to identify and resolve problems at every level to encourage more personal responsibility for activities throughout the organization.

Training Hours Limitation

Retraining hours for Small Business are capped at 60 hours per-trainee. However, Primary Freight Services is asking for a modification of the cap. The Company states that 5-10 trainees may need more than 60 hours of training in order to learn how to fully utilize the Company's freight management software. These trainees (technical Administrative Staff) may need up to 110 hours of training to become proficient in the software.

Training Infrastructure

Training will begin after Panel approval, and is scheduled to roll out within a nine-month timeframe. Classes will be delivered by expert in-house staff, external training providers.

RECOMMENDATION

Staff recommends approval of this proposal.

PRIOR PROJECTS

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

Agreement No.	Location (City)	Term	Approved Amount	Payment Earned \$ %
ET14-0365	Buena Park	5/5/14 – 11/4/15	\$49,920	TBD

ETP's online Tracking system shows that PFS has tracked 1,900 in eligible training hours for potential earnings of \$49,400 (98.9%) if all agreement terms and conditions are met.

Exhibit B: Menu Curriculum

Class/Lab Hours

8 – 110

Trainees may receive any of the following:

BUSINESS SKILLS

- Advanced Customer Service
- Project Management
- Advanced Pricing/Quoting
- Developing Leads
- How to Win New Business

COMMERCIAL SKILLS

- TSA Requirements
- International Freight
- Freight Compliance

COMPUTER SKILLS

- New Systems Training
- Customer Relationship Management
- Pricing/Quoting Software

CONTINUOUS IMPROVEMENT

- Teambuilding
- Problem Solving
- Frontline Leadership

Note: Reimbursement for retraining is capped at 110 total hours per-trainee, regardless of method of delivery.