



**Panel Amendment #2 Proposal for:
Q C M, Inc. dba Veris Manufacturing
Agreement Number: ET15-0169**

Amendment Effective Date: July 9, 2014

Approval Date: June 25, 2015

ETP Regional Office: San Diego **Analyst:** M. Ray

CURRENT PROJECT PROFILE

Contract Type:	Priority/SB<100 Job Creation	Industry Sector(s):	Manufacturing
Counties Served:	Orange	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:	July 7, 2014 to July 6, 2016	Substantial Contribution:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

CURRENT FUNDING

Current Funding
\$30,160

AMENDMENT FUNDING

Requested Funding	Total Funding
\$18,980	\$49,140

AMENDMENT TRAINING PLAN TABLE

Job No.	Job Description (By Contract Type)	Type of Training	Estimated No. of Trainees	Range of Hours		Average Cost per Trainee	Post-Retention Wage
				Class / Lab	CBT		
1	Priority/SB<100	Business Skills, Computer Skills, Continuous Impr, HazMat, Mfg Skills, PL-Mfg Skills	35	8-120	0	\$962	\$15.98
				Weighted Avg: 37			
2	Priority/SB<100 Job Creation	Business Skills, Computer Skills, Continuous Impr, HazMat, Mfg Skills, PL-Mfg Skills	5	8-120	0	\$3,094	\$14.00
				Weighted Avg: 119			

INTRODUCTION

Q C M, Inc. dba Veris Manufacturing (Veris) is a small business manufacturer of electronic products such as printed circuit board, cable, and box-build components. The Company also offers conformal coating and testing services. Veris’ products are used in medical, test and measurement, capital equipment, telecom and industrial markets.

AMENDMENT DETAILS

In this second Amendment, Veris requests to:

- 1) Allow temporary-to-permanent trainees in this Agreement. Veris hired a temporary worker and that worker has been receiving ETP-funded training. Although Veris is a repeat Contractor with one previous Agreement, it was not aware that temporary-to-permanent was allowable. The Company is requesting a retroactive effective date to the start of term in order to capture this worker’s training hours.

The Company plans to hire two new workers through a temporary agency. The Company reports that once these temporary workers surpass skills requirements and successfully perform their job duties, they will subsequently be hired into full-time, permanent positions. Three trainees (Job Number 2) will be temp-to-perm trainees. These trainees have been determined to be eligible to participate in ETP-funded training before the start of training, while on payroll with the temporary agency.

- 2) Increase the Agreement amount to provide sufficient funding for the Company’s overall training plan. Company representatives report that in order to support the continued increase in business needs, Veris must continue to deliver process improvement, software systems, and new equipment training to its workforce. During the development of the Agreement, Veris originally projected to deliver a comprehensive training program covering its system/equipment upgrades and Lean principles improvements. To date, the Company has delivered enough training hours to exhaust its current ETP funding.

Veris conducted an extensive assessment of its original training plan, which was provided to ETP staff. Based on this assessment, the Company plans to deliver an additional 2,796 hours of training. However, Veris is only requesting ETP funding for up

to 730 training hours per-trainee as follows: Continuous Improvement (add 1,690 hours), Manufacturing Skills (add 760 hours), and Computer Skills (add 346 hours)

A significant portion of the additional requested training hours will be provided to the Job Creation trainees to obtain and maintain certifications such as International Standards Organization (ISO) and AS9100. Job Creation trainees are also expected to complete NADCAP, 5S, Lean Manufacturing, as well as Process and Quality Improvement training in order to improve productivity on the shop floor.

Veris is requesting a retroactive effective date for the additional hours to start-of-term, the same as for including temp-to-perm. In fact, training under the additional funding did not begin until after the revision request was submitted (5/6/2015). The additional funding is for existing trainees (increased weighted average training hours). Therefore, this is not a Phase II Amendment.

In summary:

- The Agreement amount will increase by \$18,980, from \$30,160 to \$49,140;
- The weighted average hours for Job Number 1 (incumbent trainees) will increase from 29 to 37;
- The weighted average hours for Job Number 2 (Job Creation trainees) will increase from 29 to 119;
- The average cost per trainee for Job Number 1 will increase from \$754 to \$962;
- The average cost per trainee for Job Number 2 will increase from \$754 to \$3,094; and
- The In-Kind Contribution will increase from \$58,168 to \$96,228.

RECOMMENDATION

Staff recommends approval of this Amendment.

SUMMARY OF PRIOR MODS/AMDS

Modification #1, approved 02/12/2015, increased the maximum range of hours from 60 to 120 for both incumbent and Job Creation trainees (Job Numbers 1 and 2).

CURRENT CONTRACT PERFORMANCE

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

Agreement No.	Approved Amount	Term	No. Trainees Enrolled	No. Completed Training	No. Retained
ET15-0169	\$30,160	07/07/2014– 07/06/2016	38	1	0

To date, 1,257 eligible training hours has been tracked which equates to more than 100% of the current Agreement amount. Veris projects 100% earnings by the end of the contract term.