



DELEGATION ORDER

RETRAINEE - JOB CREATION

Training Proposal for:

Quality First Home Improvement, Inc.

Agreement Number: ET17-0102

Approval Date: July 22, 2016

ETP Regional Office: Sacramento

Analyst: M. Jones

PROJECT PROFILE

Contract Attributes:	SB <100 Priority Rate Retrainee Job Creation Initiative SET	Industry Sector(s):	Construction Priority Industry: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Counties Served:	Sacramento, Contra Costa, 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: 80	U.S.: 93	Worldwide: 93
<u>Turnover Rate:</u>	12%		
<u>Managers/Supervisors:</u> (% of total trainees)	19%		

FUNDING DETAIL

Program Costs	-	(Substantial Contribution)	(High Earner Reduction)	=	Total ETP Funding
\$50,050		\$0	\$0		\$50,050

In-Kind Contribution:	100% of Total ETP Funding Required	\$163,335
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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 Priority Rate SB <100 SET	Business Skills, Commercial Skills, Computer Skills, Cont. Imprv., HazMat, Mgmt. Skills, OSHA 10/30	28	8-60	0-2.5	\$780	\$20.55
				Weighted Avg: 30			
2	Retrainee Job Creation Initiative Priority Rate SB<100 SET	Business Skills, Commercial Skills, Computer Skills, Cont. Imprv., HazMat, Mgmt. Skills, OSHA 10/30	31	8-60	0-2.5	\$910	\$13.13
				Weighted Avg: 35			

Minimum Wage by County: Job Number 1 (SET): Statewide hourly wage of \$20.55. Job Number 2 (Job Creation): \$13.13 per hour for Sacramento County, \$13.70 per hour for Contra Costa and Santa Clara 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 \$1.38 per hour may be used to meet the Post-Retention Wage for Job Number 1 and Job Number 2.

Additional Compensation: Wages for Canvass Field Trainers and Telemarketers include an “incentive bonus” proportionate to sales. The bonus/commission is regularly reported. Wages for Installers are paid by “piece rate” plus \$10 per hour for travel and rest time. This is also regularly reported. See further discussion at Page 5 of this proposal.

Wage Range by Occupation		
Occupation Titles	Wage Range	Estimated # of Trainees
JOB NUMBER 1		
Frontline Manager		6
Canvass Field Trainer		4
Frontline Supervisor		1
Install Crew Lead		6
Installer		5
Assistant Project Coordinator		3
Project Coordinator		3

JOB NUMBER 2		
Frontline Manager		5
Administrative Staff		2
Install Crew Leader		4
Installer		5
Customer Support Staff		1
Telemarketer		14

*It will be made a condition of contract that the trainees in this Job Number will never be paid less than the State or local minimum wage rate as in effect at the end of retention (Final Payment) regardless of the wage expressed in this table. The highest minimum wage rate will prevail.

INTRODUCTION

Founded in 2006 in and now established in Citrus Heights, Quality First Home Improvement, Inc. (Quality First) (<http://www.qualityfirsthome.com>) is a home improvement company with a focus on conservation and energy saving product lines. The Company sells, finances, installs and services home improvement and energy saving products. Its customers are residential homeowners and commercial businesses. Quality First will have 3 locations participating in this proposal located in Citrus Heights, Campbell and Concord.

PROJECT DETAILS

Quality First recognizes that recent industry regulations, employee relations, innovative products and technology demands will require employees to increase their skills and knowledge in the home improvement industry. The Company has devised a strategic plan to restructure operations, reposition key personnel, change methodologies to adapt to economic factors, and improve operational inefficiencies to remain competitive. To accomplish this, Quality First will be implementing management training for new Managers, scheduling various manufacturers to train Installers and Sales Staff on new products, and implement new technology applications to improve processes. The Company also wants to preserve company stability without sacrificing quality; therefore staff has a significant need for continuous improvement training.

The Company is requesting ETP funds to ensure trainees have the skills and knowledge to properly install new products, manage projects, communicate effectively with customers and vendors, and utilize new software applications. Employees will also be cross-trained which will increase productivity and efficiency throughout the Company. Workers will learn to work in teams, redesign process and workflow, and reduce costs.

Retrainee - 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.

Quality First is expecting to expand their facilities and services within the next two years. In 2015, the Company's marketing plan was implemented successfully, increasing their sales by 22.3% company-wide. As sales continue to grow, additional employees are needed to meet the demand. The Company also plans to open a Solar Division in both the Campbell and Concord locations by October 2016, both of which will require the hiring of additional staff. In April, the Company started implementing a Commercial Division in the Sacramento office and plans to expand it to the Concord office. The proposed training will equip new employees with the

knowledge and understanding of products and services, operating procedures and the influences of industry regulation. To support this growth, the Company will need to hire new Administrative Staff, Install Crew Leaders, Installers, Customer Support Staff and Frontline Managers.

Quality First has committed to hiring 31 new employees (Job number 2). The date-of-hire for all trainees will be within the three-month period before contract approval or within the term-of-contract. These trainees will be hired into “net new jobs” as a condition of contract.

Training Plan

Trainees will receive between 8-60 hours of Classroom/Laboratory training. Training will be delivered by both in-house subject matter experts and outside vendors to be identified during the contract term.

Business Skills (15%) – This training will be provided to all occupations to provide the skills necessary for effective job performance. This training will focus on employee relations, proper company communications, time management, and work flow processing to improve customer service skills, and enhance sales and marketing techniques. Training topics will include Marketing, Communication: Creating Shared Understanding, and Cost Accounting.

Commercial Skills (10%) – This training will be provided to Frontline Manager and Installer to learn the proper installation skills needed for the Company’s home improvement products. This training will qualify staff with a “certified status” providing them the edge in product installation and customer confidence. Training topics will include Managing Change, Leadership Styles, and Installation Production.

Management Skills (15%) – This training will be provided to Frontline Managers and Frontline Supervisors to learn leadership qualities, be more efficient in problem solving and gain necessary skills to be confident leaders. Training topics will include Qualities of a Leader, Management Skill training, and Identifying and Solving Problems.

Computer Skills (15%) – This training will be offered to all occupations to provide efficiency and the necessary tools to manage and report information in a timely manner that impacts operational decisions. Training topics will include Data Forma-Web based CRM, QuickBooks and Sol Metric Sun Eye training.

Continuous Improvement (30%) - This training will be provided to all occupations to improve products, services, and processes, while engaging in effective problem solving challenges and team building opportunities. Training topics will include Team Building, Conflict Resolution, Managing Diversity, and Time Management and Effective Delegation.

Certified Safety Training (15%)

OSHA 10/30 - This training is a series of courses “bundled” by industry sector and occupation. It consists of 10 hours of classroom or CBT training for journey-level workers and 30 hours for frontline supervisors. The coursework is geared to construction work, and also manufacturing. Completion of the training results in a certificate that expands employment opportunities. The coursework must be approved by Cal-OSHA, and the instructors must be certified by Cal-OSHA.

Hazardous Materials (HAZMAT) - This training is also a series of courses, specific to industry sectors involved in the transport of hazardous materials. The coursework varies in length depending on the industry and the occupational title, as organized in five levels ranging from “first responder” to “incident commander.” It is generally a minimum of 24 hours with an 8-hour

annual refresher, and may be delivered by classroom or CBT. In this proposal, all occupations will receive up to 24 hours of training. Field training may be required, although not funded by ETP. Completion of the training results in a certificate that expands employment opportunities. This coursework is not under Cal-OSHA, but is administered under the Department of Transportation and CalTRANS. There are various certification entities for the coursework and instructors. In this proposal, the certification entity has not yet been determined.

Incentive Bonus

Wages may include an “incentive bonus” payable to Canvass Field Trainers at up to \$2.17 an hour; and to Telemarketers at up to \$1.32 an hour. The bonuses are designed to incentivize sales, in the manner of commissions. These are full-time W2 employees; their bonuses/wages are routinely and regularly reported in payroll. Commission employees must receive at least the State minimum wage as a base rate.

Piece Rate

Installers are paid by “piece rate” at a set dollar amount per unit, plus \$10.00 per hour for travel and rest time. These are full-time W2 employees, with wages routinely and regularly reported in payroll. Piece rate employees must be paid at least the State minimum wage as a base rate. In fact, the Company reports, these employees historically average \$15.00 per hour exclusive of compensation for travel and rest time.

Note: California Labor Code Section 226.2 (AB 1513, eff. Jan. 1, 2016) requires employers to pay at least the State minimum wage rate to piece rate employees. Employers must also compensate piece rate employees for travel and rest time, using an hourly wage rate scaled to State minimum wage. Piece rate employees must be paid these threshold wages on a semi-monthly basis with an itemized statement of earnings tied to payroll reporting.

Special Employment Training

Under Special Employment Training (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. For Priority Industries the wage is reduced by 25% to \$20.55. Quality First is requesting this modification for Job Number 1. The trainees in Job Number 2 are also funded under SET. However, these Job Creation trainees qualify for the newly-hired wage by county as shown under the Training Plan Table.

Commitment to Training

ETP funds will not displace the existing financial commitment to training. The Company spends approximately \$97,000 annually on ongoing training in the areas of company orientation, job-specific engineering and quality skills, general office skills, and on-the-job training as needed. 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

Quality First retained e-VentExe in Granite Bay to assist with development of this proposal for a flat fee of \$2000.

ADMINISTRATIVE SERVICES

Quality First also retained e-VentExe to 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**

8-60 Trainees may receive any of the following:

BUSINESS SKILLS

- Inventory Control Training
- Job Costing/Process
- Cost Accounting
- Telephone Etiquette
- Sales
- Marketing
- Canvass Training
- Respect is Earned
- World Class Customer Service Culture
- Innovation and Creativity: How to Improve Performance and Faster Growth
- Fundamentals of Strategic Planning
- Communication: Creating Shared Understanding
- Setting Smart Goals: Reviewing the Vision Statement
- Customer Skills

COMMERCIAL SKILLS

- Sol Metric Sun Eye Training
- Burnham Solar World Evaluations of Solar System Training
- Solar Enphase Training
- Product Installation Training
- Servicing of Equipment Training
- Equipment Maintenance and Safety
- Using Hand Tools Properly
- Harnessing: Roof Installs/Solar Installs
- Product Certification
- Certification of Proper Product Installation
- Installation Production
- Performance management/Appraisal Process
- Managing Change
- Leadership Styles
- Safety
 - Preventing Slips, Trips and Falls
 - Electrical Safety
 - Heat and Illness Prevention
 - Proper Lifting Procedures
 - Personal Protective Equipment
 - Fire Safety (Installers Only)
 - Driver Safety
 - Blood Borne Pathogens

COMPUTER SKILLS

- Data Form-Web Based CRM
- Sol Metric Sun Eye Training
- Burnham Solar World Evaluations of Solar System Training
- Quickbooks
- Microsoft Office (Intermediate/Advanced)
- Microsoft Excel (Intermediate/Advanced)

CONTINUOUS IMPROVEMENT:

- Team Building: Working Well with Others
- Installation Management/Measurement/ Quality-Control/Targets
- Effective Results/Hitting Goals
- How to Control Accounts Receivable
- Management/Leadership Development
- Remember the Small Stuff: A Class on Memorization
- How to Build a More Open and Positive Work Environment
- Conflict Resolution
- Confronting the Tough Stuff
- Motivating Employee's Successfully
- Managing Diversity
- Coaching and Counseling
- Time Management and Effective Delegation

HAZARDOUS MATERIALS:

- Lead Abatement
- Lead Containment and Disposal
- HazCom

OSHA 10/30 (OSHA Certified Instructor)

- OSHA 10 (Requires Completion of 10 Hours)
- OSHA 30 (Requires Completion of 10 Hours)

MANAGEMENT SKILLS (Managers and Supervisors Only)

- Up and Comer: Preparing for Management
- Leadership Development – Sales, Marketing, Canvass, and Installation
- Qualities of a Leader
- 10 Steps to Sales
- 6 Steps to Marketing
- Motivation through Education
- Performance Reviews
- How to Build a Tenure Team
- Identifying and Solving Problems
- Making the Transition to Management
- Behavioral Interviewing
- Critical Thinking
- Improve Business Results Using Emotional Intelligence
- How to Build a More Open and Positive Work Environment
- Improving Sales Skills

- Improving Marketing Skills
- Management Skill Training
- Media Marketing
- Game Plan/Goal Training

Safety Training cannot exceed 10% of total training hours per-trainee
(This cap does not apply to OSHA 10/30)

CBT Hours

0-2.5

COMMERCIAL SKILLS

- Safe Driving Training (2.5 hrs.)

Note: Reimbursement for retraining is capped at 60 total training hours per trainee, regardless of the method of delivery. CBT is capped at 50% of total training hours, per trainee excluding OSHA 10/30.