

DELEGATION ORDER



**Training Proposal for:
Quality Metal Spinning and Machining, Inc. dba QMS**

Small Business

ET17-0247

Approval Date: October 13, 2016

ETP Regional Office: San Francisco Bay Area

Analyst: C. Hoover

CONTRACTOR

- Type of Industry: Manufacturing
Services
Priority Industry: Yes No
- Number of Full-Time Employees
California: 17
Worldwide: 17
Number to be trained: 21
Owner Yes No
- Out-of-State Competition: NAICS Code Eligible 333517
- Special Employment Training (SET): Yes No
- High Unemployment Area (HUA): Yes No
- Turnover Rate: 0%
- Repeat Contractor: Yes No

FUNDING

- Requested Amount: \$25,116
- In-Kind Contribution: \$25,000

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	Business Skills, Computer Skills, Continuous Improvement, Manufacturing Skills	21	8-60	0	\$1,196	\$17.02
				Weighted Avg: 46			

- Reimbursement Rate: Job #1: \$26 SB Priority

- County(ies): Santa Clara
- Occupations to be Trained: Administration/Support Staff, Technical Staff, Production Staff, Supervisors/Managers & Owners
- Union Representation: Yes
 No
- Health Benefits: Job #1: \$0.52 per hour

SUBCONTRACTORS

- Development Services: Sallyanne Monti Consulting in San Francisco assisted with development of this proposal for a flat fee of \$1,000.

- Administrative Services: Sallyanne Monti Consulting will also assist with Administration of this proposal for a fee not to exceed 13% of funds earned.

- Training Vendors: Jaydeep Pathak, Quality Consultant (ISO) Altoviya, LLC in Daly City will provide Continuous Improvement Training for a fee to be determined.

OVERVIEW

Founded in 1967, Quality Metal Spinning and Machining, Inc. dba QMS www.qmsshields.com is a family owned business that custom designs and manufactures metal-spun parts for multiple industries. QMS is a leader in supplying high-quality precision spun and machined parts for leading manufacturers in the semiconductor, electronics and aerospace industries. QMS is a supplier to Applied Materials, LAM Research, GoogleX and Hitachi.

In order to keep up with customer demand, QMS is requesting ETP funding as it implements new initiatives and processes. Customers increasingly demand feature-rich products, tighter tolerances and quicker turnaround times. This requires QMS to have established and repeatable, fully-integrated processes that will ensure quality in every part. Suppliers like QMS needs to have state-of-the-art machines and skilled workers to operate them. Consequently, QMS has purchased new equipment. In addition, customers demand quick and efficient ways of placing, tracking and receiving orders, and they expect the ultimate in customer care.

QMS needs to upgrade employee skills (including two owners). In-house trainers and training vendors will deliver training in Continuous Improvement, Computer Skills, Manufacturing Skills, and Business Skills. Training will take place at the Company's Palo Alto facility. Other vendor sites in California will be registered and approved per ETP guidelines.

Training Plan

As QMS implements new initiatives and processes that upgrade employee skills, equipment and software, the Company will work closely with the City of Palo Alto's Hazardous Waste Program to develop safeguards to ensure environmental safety and work to find biodegradable alternatives to chemicals used throughout its facility. QMS will train employees and implement the following:

- Customer-technology demand- Google X and Hitachi Global Storage Technologies
- Supply high-tech parts to new customers- Vacuum Process Engineering and Cool Dry
- New technology and equipment- Mazak INTEGREX e-1600V/10 machine for 5-axis machining and milling, ROMI C Series Heavy Duty CNC (computer numeric control) Lathes machine, WENZEL LH 1210 CMM (3D coordinate measuring machine) and a Crown WAV50-118 Work Assist Vehicle
- New software upgrades- SOLIDWORKS 2016, Mastercam X9, MODUS 2, JobBOSS 2016, QuickBook 2016 Premier and Microsoft Windows Server 2016
- Quality Implementation- ISO 9001:2015 (train-the-trainer program)

In addition, the Company's training plan includes a train-the-trainer program for key employees for Business Skills, Continuous Improvement and Computer Skills. A two-year contract term is needed to bring trainers to competency who will then deliver training to others in the Company. The Business Skills and Computer Skills need to be aligned first, so that upgraded skills are in place prior to mapping out the Continuous Improvement processes. An 18-21 month training window is needed to effectively implement value-added training that incorporates immediate results. This OMS requires a two year contract term.

Training will be delivered in Class/Lab and E-Learning, as outlined below:

Business Skills - This training will be offered to Administration/Support Staff and Supervisors/Managers. Administration/Support Staff will receive training on Marketing

Strategies for Growth to learn to identify, pursue and service new industries while identifying value-added opportunities for the existing customer base. Administration/Support Staff will also receive training on order processing and customer care, and product knowledge in the development of new areas of business. Supervisors/Managers will receive training on Performance Management for the allocation and management of resources.

Computer Skills - This training will be offered to Technical Staff, Production Staff and Administration/Support Staff. Solidworks 2016 training will be delivered to Technical Staff who will be able to take a product from concept to finished product while maintaining efficiency and profitability. Production Staff will receive training in Mastercam X9, to have the latest skills for creating and cutting parts. Technical Staff and Production Staff will be trained on JobBOSS 2016 in the latest procedures for quote processing, inventory control and job-shop scheduling. Administration/Support Staff will receive training on QuickBooks 2016. Technical Staff will receive training on MODUS 2 (ERP- enterprise resource planning software), and to deploy and maintain Microsoft Windows Server 2016. Administration/Support Staff will also receive training on Ariba, Hitachi's Global Storage Technologies' chosen software program for receiving orders and managing accounting.

Manufacturing Skills - This training will be offered to Technical Staff and Production Staff. Production Staff will be trained on the Mazak INTEGREX e-1600V/10 (5-axis milling and machining) machine, the ROMI C Series Heavy Duty CNC Lathes machine and the WENZEL LH 1210 CMM as appropriate to their job responsibilities. Production Staff will also be trained to program these machines to ensure repeatable manufacturing processes, to minimize waste and to optimize productivity. Technical Staff will receive training to troubleshoot and maintain the machines, and to build quotes for products produced on the new machines, and on advanced-inspection techniques for parts produced by the new machines.

Continuous Improvement - This training will be offered to key employees across all occupations. This select staff will align existing processes to the new technology and products being implemented. While also embracing the new processes, they will increase productivity, efficiency and profitability through the integration of manufacturing capabilities and technology by aligning quality systems to the new ISO 9011:2015 standard in a train-the-trainer program.

RECOMMENDATION

Staff recommends approval of this proposal.

Exhibit B: Menu Curriculum**Class/Lab Hours**

8-60

Trainees may receive any of the following:

BUSINESS SKILLS

- ✚ Performance Management
- ✚ Sales, Marketing & Customer Service Strategies for Growth

COMPUTER SKILLS

- ✚ Ariba
- ✚ JobBOSS 2016
- ✚ Mastercam X9
- ✚ Microsoft Windows Server 2016
- ✚ MODUS 2 (ERP- enterprise resource planning)
- ✚ QuickBooks 2016
- ✚ Solidworks 2016

CONTINUOUS IMPROVEMENT

- ✚ Process Management for New Initiatives
- ✚ ISO 9001:2015 Basics

MANUFACTURING SKILLS

- ✚ Mazak INTEGREX 5-axis Milling and Machining Techniques
- ✚ Advanced CNC Lathe Programming Techniques
- ✚ Advanced CMM Programming Techniques
- ✚ Advanced QA Techniques
- ✚ Equipment Operations for Growth
- ✚ Production Techniques for Growth
- ✚ Safe Operation of Crown WAV50-118 (Work Assist Vehicle)

E-Learning Hours

8-40

BUSINESS SKILLS

- ✚ Performance Management
- ✚ Sales, Marketing & Customer Service Strategies for Growth

COMPUTER SKILLS

- ✚ Ariba
- ✚ JobBOSS2016
- ✚ Mastercam X9
- ✚ Microsoft Server 2016
- ✚ MODUS 2 (ERP- enterprise resource planning)
- ✚ QuickBooks 2016
- ✚ Solidworks 2016

CONTINUOUS IMPROVEMENT

- ✚ Process Management for New Initiatives
- ✚ ISO 9001:2015 Basics

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

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