



Training Proposal for:
REMEC Defense & Space, Inc
dba Cobham Defense Electronics
Agreement Number: ET15-0164

Panel Meeting of: June 27, 2014

ETP Regional Office: San Diego **Analyst:** J. Davey

PROJECT PROFILE

Contract Attributes:	Job Creation Initiative Priority Rate Retrainee	Industry Sector(s):	Aerospace and Defense Manufacturing Priority Industry: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Counties Served:	San Diego	Repeat Contractor:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Union(s):	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
Number of Employees in:	CA: 1,300	U.S.: 1,300	Worldwide: 10,100
Turnover Rate:	8%		
Managers/Supervisors: (% of total trainees)	9%		

FUNDING DETAIL

Program Costs	-	(Substantial Contribution)	(High Earner Reduction)	=	Total ETP Funding
\$327,600		\$0	\$0		\$327,600

In-Kind Contribution:	100% of Total ETP Funding Required	\$550,000
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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	Business Skills, Computer Skills, Continuous Impr, HazMat, Mfg Skills, PL-Mfg Skills	270	8-200	0	\$1,008	\$15.60
				Weighted Avg: 56			
2	Job Creation Initiative Priority-Rate	Business Skills, Computer Skills, Continuous Impr, HazMat, Mfg Skills, PL-Mfg Skills	42	8-200	0	\$1,320	\$13.00
				Weighted Avg: 66			

Minimum Wage by County: San Diego: Job Number 1: \$15.60 per hour; Job Number 2: \$13.00 per hour

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 \$4.08 per hour for Job Number 1 and \$1.46 per hour for Job Number 2 may be used to meet the Post-Retention Wage.

Wage Range by Occupation

Occupation Titles	Wage Range		Estimated # of Trainees	
	Job Number 1	Job Number 2	Job Number 1	Job Number 2
Administrative Staff			10	4
Customer Service Staff			10	4
Director/Manager/Supervisor			25	4
Engineer			65	8
Information Technology Staff			15	2
Production Worker			80	12
Sales/Marketing Staff			4	10
Technical Support Staff			55	4

INTRODUCTION

Located in San Diego, REMEC Defense & Space, Inc. dba Cobham Defense Electronics (REMEC) is a wholly owned subsidiary of Cobham Defense Electronic Systems, itself a subsidiary of Cobham, Plc of the United Kingdom. REMEC was founded in 1983, and is dedicated to the design, development and manufacture of custom radio frequency, microwave and millimeter-wave products including filters, multipliers, amplifiers, and integrated microwave assemblies. This will be the third ETP-funded project; although none of the previous Agreements are within the last five years. REMEC is eligible for priority-industry.

PROJECT DETAILS

REMEC is expanding its product lines and increasing its production capacity as a result of a recent \$10M contract with Raytheon corporation. In response to its expansion, the Company is implementing a quality initiative called "Excellence in Delivery." This is an organization-wide initiative developed by Cobham plc to improve product quality, delivery times, and reduce waste.

In addition, the Company is expanding its computer systems to meet new customer demands and support new business processes. REMEC is investing more than \$3M to convert from an SAP platform to an Oracle platform. Software consistency will improve workplace efficiency and reduce operating costs.

Retrainee - Job Creation

As stated above, REMEC is adding new staff to meet the production demands of its recently acquired contract and expected future contracts. In this proposal, REMEC has committed to hiring 42 new employees (Job Number 2). Beginning the third quarter of this year, REMEC projects hiring at a rate of 5-10 employees per quarter, through the fourth quarter of 2015.

Under the Retrainee-Job Creation program, training for newly-hired employees will be reimbursed at a higher rate and trainees will be subject to a lower post-retention wage. 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 contract.

Training Plan

Business Skills (35%) - Training will be offered to Administrative Staff, Customer Service Staff, Directors, Engineers, Information Technology Staff, Managers, Supervisors, Sales/Marketing Staff and Technical Support Staff. Trainees will receive training in communication skills, proactive listening, time and priority management and other skills. Engineers, Information Technology Staff, and Technical Support Staff will will receive training on presentation skills, product knowledge, technical writing, and time and priority management. Training is expected to reduce order errors, provide more efficient communication skills, and improve operational efficiency.

Computer Skills (15%) - Training will be offered to Administrative Staff, Customer Service Staff, Directors, Engineers, Information Technology Staff, Managers, Supervisors, Sales/Marketing Staff and Technical Support Staff. Information Technology Staff will learn how to navigate and troubleshoot new Oracle applications on the intranet. Engineers will be trained on internet applications, project software, Advanced Microsoft Office, Computer-Aided Design, and computer-assisted engineering software.

Continuous Improvement (20%) - Training will be offered to Administrative Staff, Customer Service Staff, Directors, Engineers, Information Technology Staff, Managers, Supervisors, Sales/Marketing Staff and Technical Support Staff. The trainees will learn about Excellence in Delivery, Continuous Process Improvement, Lean Manufacturing, 5S, Six Sigma, Team Problem Solving, and Troubleshooting processes. Training will result in skills to improve product quality, reduce waste, improve on-time deliveries, and increase sales.

Hazardous Materials Skills (5%) - Training will be offered to Production Workers and Technical Support Staff in skills related to Hazard Communication, Hazardous Materials,

Hazardous Waste, HAZMAT Requirements, and Emergency Response Team skills. Training will reduce injuries on the job.

Manufacturing Skills (20%) - Training will be offered to Production Workers and Technical Support Staff. Trainees will receive training in Assembly Procedures and Methods, Cross-functional Equipment training, Inspection Procedures, Machine Operations, Production Systems, Standard Operating Procedures, and Troubleshooting. These skills will increase manufacturing productivity and improve profitability.

Productive Laboratory

Productive Laboratory (PL) trainees may produce goods for profit as part of the training in the courses identified under the Curriculum. The instructor must be dedicated to training delivery during all hours of training.

Trainees cannot adequately learn how to operate REMEC's complicated equipment in a Class/Lab setting alone. The best way to reinforce training learned in the classroom is through PL. Hands-on training through PL will allow trainees to reinforce what they've learned in the classroom, in a live setting, using a practical methodology without the pressure of full production.

Forty trainees (Production Workers, Leads, Managers/Supervisors and Technical Support Staff) will participate in PL. Trainer-to-trainee ratios will not exceed 1:3. PL will focus on Manufacturing Skills in operating equipment (integrated circuit board processors, inspection systems, fault detection systems, wire bonding equipment, calibration equipment).

Trainees may receive up to a maximum of 40 total hours of PL. Trainers will demonstrate the operation of the equipment and then observe trainees, correcting for errors, and ensuring proper techniques are used. Trainers will certify trainees once the trainees are deemed competent.

Commitment to Training

REMEC does not budget for training. However, the Company currently provides Continuous Improvement, Computer Skills, and Manufacturing Skills training. Training includes new-hired orientation, OSHA mandated training, sexual harassment, first aid training and an on-the-job training program for Manufacturing Skills. In addition MS Office (Basic Level) is provided on an as-needed basis.

REMEC represents that ETP funds will not displace the existing financial commitment to training. Safety training is, and will continue to be, provided in accordance with all pertinent requirements under state and federal law.

➤ Training Infrastructure

The REMEC states that it has a dedicated training staff charged with implementing and administering the ETP training program.

RECOMMENDATION

Staff recommends approval of this proposal.

DEVELOPMENT SERVICES

REMEC retained National Training Company, Inc. in Irvine to assist with development of this proposal for no charge.

ADMINISTRATIVE SERVICES

REMEC also retained National Training Company, Inc. to perform administrative services in connection with this proposal for a fee not to exceed 10% of payment earned.

TRAINING VENDORS

To Be Determined

Exhibit B: Menu Curriculum

Class/Lab Hours

8-200

Trainees will receive any of the following:

CONTINUOUS IMPROVEMENT

- Continuous Process Improvement
- Excellence in Delivery
- Error Proofing
- Kaizen Training
- Leadership Skills
- Lean Manufacturing
- Measuring for Success
- Process Mapping
- Quality Systems Training
- Root Cause Analysis
- 5 S Training (Sort, Set in Order, Shine, Standardize, Sustain)
- Scheduling & Planning
- Six Sigma
- Standard Work Instructions
- Team Building
- Team Problem Solving
- Train-the-Trainer
- Troubleshooting Processes
- Value Stream Mapping
- Visual Management
- Waste Analysis and Elimination
- Working as a Team

COMPUTER SKILLS

- Computer-Aided Design
- Computer Assisted Engineering
- Computer Networking
- Computer Applications
- Computerized Inventory
- Enterprise Resource Planning Systems
- Database Administration
- Internal Customer Applications
- Internet Applications
- Microsoft Office (Intermediate and Advanced)
- Oracle Software Applications
- Project Software
- Software Systems

MANUFACTURING SKILLS

- Assembly Procedures & Methods
- Control Systems

- Design Standards & Processes
- Emergency Planning
- Equipment Cross-Training
- Equipment Maintenance/Repair Skills
- Forklift Certification
- Inspection Procedures
- Machine Operation
- Maintenance Procedures
- Mechanical Systems
- Microwave Assemblies
- Production Systems
- Safety Leadership
- Soldering Skills
- Standard Operating Procedures
- Tuning and Test Procedures
- Troubleshooting
- Wire Bonding Skills

BUSINESS SKILLS

- Business Grammar and Writing Skills
- Coaching and Mentoring
- Communication Skills
- Conflict Management
- Customer Service and Sales Skills
- Effective Business Reports
- Financial Systems
- Goal Setting
- Managing Change
- Negotiation Skills
- Performance Management Skills
- Presentation Skills
- Proactive Listening
- Product Knowledge
- Project Management
- Technical Writing
- Time and Priority Management

HAZARDOUS MATERIALS

- Hazard Communication
- Hazardous Materials
- Hazardous Waste
- HAZMAT Requirements
- Emergency Response Team Training
- HAZMAT Training

PL Hours

0-40

MANUFACTURING SKILLS

- Calibration Equipment
- Fault Detection Systems
- Inspection Systems
- Integrated Circuit Board Processors
- Material Handling
- Operating Production Equipment
- Preferred Work Methods
- Technical Tools
- Wire Bonding Equipment

Note: Reimbursement for retraining is capped at 200 total hours per-trainee, regardless of method of delivery.