



Training Proposal for:
Raley's, a Corporation dba Raley's Super Markets
Agreement Number: ET15-0257

Panel Meeting of: July 25, 2014

ETP Regional Office: Sacramento

Analyst: W. Atkinson

PROJECT PROFILE

Contract Attributes:	Retrainee SET HUA	Industry Sector(s):	Services Retail Priority Industry: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Counties Served:	Statewide	Repeat Contractor:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Union(s):	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No United Food & Commercial Workers International Union, AFL-CIO, CLC		
Number of Employees in:	CA: 10,000	U.S.: 12,458	Worldwide: 12,458
<u>Turnover Rate:</u>	6%		
<u>Managers/Supervisors:</u> (% of total trainees)	N/A		

FUNDING DETAIL

Program Costs	-	(Substantial Contribution)	(High Earner Reduction)	=	Total ETP Funding
\$671,880		\$0	\$0		\$671,880

In-Kind Contribution:	100% of Total ETP Funding Required	\$1,000,000
------------------------------	------------------------------------	-------------

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 SET	Business Skills, Continuous Improvement	1,798	8-200	0	\$330	\$27.09
				Weighted Avg: 22			
2	Retrainee SET HUA	Business Skills, Continuous Improvement	238	8-200	0	\$330	\$14.90
				Weighted Avg: 22			

Minimum Wage by County: Job Number 1: \$27.09 per hour Statewide average hourly wage: Job Number 2: \$15.59 per hour for Sacramento County, \$16.25 per hour for Santa Cruz and Contra Costa Counties, and \$14.90 per hour for Butte, El Dorado, Monterey, Placerville, San Benito, San Joaquin, Shasta, Siskiyou, Stanislaus, Sutter, Tehama, and Yolo 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 \$6.50 per hour may be used to meet the Post-Retention Wage for Job Number 1 only.

Wage Range by Occupation

Occupation Titles	Wage Range	Estimated # of Trainees
Grocery Team Member		978
Grocery Team Leader		1,058

INTRODUCTION

Thomas P. Raley opened his first Raley's Market in Placerville in 1935. The first Sacramento store was opened in 1942. Today Raley's owns and operates 128 supermarkets branded as follows: 78 Raley's; 20 Bel Air; 22 Nob Hill Foods; and eight Food Source.

Raley's is Headquartered in West Sacramento. These are grocery "superstores" that include grocery, produce, bakery, meat, dry goods, health and beauty aids, pharmacy, and specialty departments.

This will be Raley's, a Corporation dba Raley's Super Markets (Raley's) third ETP-funded training. The last Agreement was completed over five years ago.

Raley's competes with other local and national grocery sellers, including Wal-Mart. Additional competition is coming from Amazon, which is opening Northern California distribution centers and expanding its general merchandise sales and distribution systems. To maintain and

increase its market share, store employees need to sharpen their customer service and product knowledge skills and improve their ability to work as effective teams. The Company's continued success depends on the skills and knowledge of its team members and team leaders.

Training will be provided for workers covered by a collective bargaining agreement with the United Food & Commercial Workers International Union, AFL-CIO, CLC. ETP has received the union letter of support.

PROJECT DETAILS

ETP funded training will help employees gain skills in teamwork, product knowledge and service so they can communicate effectively with customers about Raley's products and services. Training will also include merchandising fundamentals and inventory systems for grocery, meat, produce, food service, deli, floral, and pharmacy teams. Team Leaders and Team Members will learn communication and customer service skills. Trainees will learn specific techniques for handling customer requests, transactions, and complaints as well as concepts and the operation of team-based work environments.

Training Plan

Training will be delivered using classroom/laboratory training methods at approximately 109 stores statewide. Trainee will receive the following types of training:

Business Skills (75%) - Training will be offered to all occupations and will include topics such as communication, customer service, handling customer transactions, merchandising, resolving complaints, and inventory systems. Training will focus on improving customer satisfaction, and standardizing merchandising procedures and inventory controls.

Continuous Improvement (25%) - Training will be offered to all occupations and will include topics such as building/organizing teams, principles of leadership and setting goals and priorities. Training will focus on developing effective team members and leaders.

Commitment to Training

ETP funds will not displace the Company's existing financial commitment to training. Raley's annual training budget is \$3 million, primarily dedicated to on-the-job training for new employees, safety training, and sexual harassment prevention training.

Safety training is, and will continue to be, provided in accordance with all pertinent requirements under state and federal law.

➤ Training Infrastructure

Training is scheduled to begin August 1st and Raley's has assigned three persons to work on administrative duties. In addition, project administration will be provided by Steve Duscha Advisories.

Special Employment Training / High Unemployment Area

Under Special Employment Training (SET) companies are 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. (Title 22, CCR, Section 4409(a).)

Job Number 2 trainees work in a High Unemployment Areas (HUA), regions with unemployment exceeding the state average by at least 25%. Raley's locations in Butte, Contra Costa, El Dorado, Madera, Monterey, Placer, Sacramento, San Benito, San Joaquin, Santa Cruz, Shasta, Siskiyou, Stanislaus, Sutter, Tehama, and Yolo counties qualify for HUA status under these standards. These HUA trainees qualify for the ETP Minimum Wage rather than the statewide average hourly wage. Raley's is requesting this wage modification.

RECOMMENDATION

Staff recommends approval of this proposal and wage modification.

DEVELOPMENT SERVICES

Raley's retained Steve Duscha Advisories in Sacramento to assist with development of this proposal for a flat fee of \$15,000.

ADMINISTRATIVE SERVICES

Raley's also retained Steve Duscha Advisories to perform administrative services in connection with this proposal for a fee not to exceed 13% of payment earned.

TRAINING VENDORS

N/A

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

8 - 200

Trainees may receive any of the following:

BUSINESS SKILLS

- Bakery service merchandising fundamentals
- Building customer relationships
- Building in-store food service teams
- Communications skills
- Creating and maintaining optimum displays
- Critical thinking skills
- Customer service
- Deli service merchandising fundamentals
- Display concepts and systems
- Handling customer requests
- Handling customer transactions
- How customer service impacts business results
- Identifying customer needs
- In-store merchandising and selling for floral teams
- Meat service merchandising and selling
- Merchandising, selling and product knowledge for meat department teams
- Merchandising, selling and product knowledge for produce teams
- Pharmacy transaction systems
- Product knowledge
- Resolving customer complaints
- Understanding inventory systems and controls

CONTINUOUS IMPROVEMENT

- Building effective teams
- Coaching, mentoring, and training
- Effective communications skills
- Leading teams
- Measuring success
- Meeting customer service objectives
- Motivating teams
- Organizing teams
- Principles of leadership
- Problem solving
- Setting goals
- Setting priorities

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



United Food & Commercial Workers International Union, AFL-CIO, CLC

Jacques Loveall
President
International Vice President

Roseville
(Headquarters)
2200 Professional Dr.
Roseville, CA 95661
(916) 786-0588
(916) 786-0958 (fax)

Bakersfield
900 Airport Dr.
Bakersfield, CA 93308
(661) 391-5770

Chico
20 Constitution Dr.
Suite C
Chico, CA 95973
(530) 895-0017

Fresno
3485 W. Shaw Ave.
Suite 101
Fresno, CA 93711
(559) 271-1288

Fresno
*Distillery, Wine & Allied,
and Wholesale Division*
2918 N. West Ave.
Fresno, CA 93705
(559) 226-5045

Modesto
2007 Yosemite Blvd.
Modesto, CA 95354
(209) 529-0596

Redding
3400 Bechelli Ln.
Suite C
Redding, CA 96002
(530) 222-3905

Santa Rosa
940 Hopper Ave.
Santa Rosa, CA 95403
(707) 546-1384

July 3, 2014

Ms. Jill Waite
Sr. Director Talent Development
500 West Capital Avenue
West Sacramento, CA 95605-2696

Dear Ms. Waite:

We support the training proposed by Raley's to the
Employment Training Panel.

Sincerely,

Kirk Vogt

KV:kgc

