

DELEGATION ORDER



RETRAINEE - JOB CREATION

Training Proposal for:

Raypak, Inc.

Agreement Number: ET15-0440

Approval Date: April 17, 2015

ETP Regional Office: North Hollywood

Analyst: M. Webb

PROJECT PROFILE

Contract Attributes:	Retrainee Priority Rate Job Creation Initiative	Industry Sector(s):	Manufacturing Priority Industry: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Counties Served:	Ventura	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: 360	U.S.: 2,600	Worldwide: 6,000
<u>Turnover Rate:</u>	3%		
<u>Managers/Supervisors:</u> (% of total trainees)	20%		

FUNDING DETAIL

Program Costs	-	(Substantial Contribution)	(High Earner Reduction)	=	Total ETP Funding
\$54,950		\$0	\$0		\$54,950

In-Kind Contribution:	100% of Total ETP Funding Required	\$65,406
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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	Advanced Tech., Business Skills, Commercial Skills, Computer Skills, Cont. Imp., Mngmt. Skills, Mfg. Skills, PL-Mfg. Skills	185	8-200	0-24	\$270	\$15.07
				Weighted Avg: 15			
2	Retrainee Job Creation Initiative	Advanced Tech., Business Skills, Commercial Skills, Computer Skills, Cont. Imp., Mngmt. Skills, Mfg. Skills, PL-Mfg. Skills	10	8-200	0-24	\$500	\$13.88
				Weighted Avg: 25			

Minimum Wage by County: Job Number 1: \$15.07 per hour for Ventura County; Job Number 2 (Job Creation): \$12.33 per hour for Ventura County.

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 \$1.19 per hour may be used to meet the Post-Retention Wage for Job Number 1.

Wage Range by Occupation		
Occupation Titles	Wage Range	Estimated # of Trainees
JOB NUMBER 1		
Production Staff		110
Office/Support Staff		36
Supervisors		25
Managers		14
JOB NUMBER 2		
Production Staff		10

INTRODUCTION

Founded in 1946 and located in Oxnard, RayPak, Inc. (RayPak), a subsidiary of Rheem Sales, manufactures copper-finned boilers and heaters. Products manufactured at the 235,000 square foot facility include residential and commercial boilers, hydronic boilers, storage tanks, pool heat pumps, and electric and gas-fired heaters. RayPak customers include distributors, design build

consultants, contractors, homeowners, and companies worldwide. In 1996, RayPak became the first boiler manufacturer to be ISO 9001 registered.

New products introduced to the market and an increase in sales has contributed to RayPak's need for training. Workers need training to handle this increase in productivity and execute job duties. Training in Lean Manufacturing and technical service training on new products will ensure staff can maintain efficiency while handling larger workloads.

PROJECT DETAILS

To meet demand, RayPak will cross-train Production Staff, and introduce them to the new products line. New products include: a stainless steel commercial tank, a pool heater with touch screen controls, and a stainless steel commercial boiler system.

Trainees will receive classroom and productive lab training in Manufacturing Skills to ensure they can assemble the new products and increase job performance. Additional courses to be delivered include Assembler Cross-Training, Welding Operation, and Press Brake/Punch Press Set-Up.

Staff will also receive training in Business, Computer and Management Skills. To reduce paperwork, tasks such as payroll, accounting, time approval, report production, and succession planning will be performed electronically. As a result, certain staff members will receive training in computer skills.

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.

RayPak has committed to hiring 10 new employees (Job Number 2). The Company has seen substantial growth in sales over the last few years. In order to meet this demand, RayPak will train newly hired Production Staff to increase productivity and deliver reasonable turnaround times. Trainees will learn to assemble RayPak products, properly run machinery, shipping operations, and various testing required for products manufactured.

RayPak represents that the date-of-hire for all trainees in the Job Creation program will be within the three-month period before contract approval or within the term-of-contract. The Company also represents that these trainees will be hired into "net new jobs" as a condition of contract.

Training Plan

Subject-matter experts will deliver all training in-house.

Business Skills (5%): Training will be offered to all occupations. Training in Customer Service will result in better communication and improve customer service quality.

Commercial Skills (10%): Training will be offered to Production Staff and Supervisors in new boiler systems being offered. Training to be delivered is technical and highly specialized for work with hydronic boiler systems.

Management Skills (15%): Training will be offered to Management and Supervisors to improve leadership and management skills.

Computer Skills (10%): Training will be offered to all occupations to increase knowledge in software programs such as Microsoft Office and the Company's human resource information system.

Manufacturing Skills (20%): Training will be offered to Production Staff, Managers, and Supervisors. Training in topics such as Blueprint Reading, Lock-Out/Tag-Out, and Welding will increase efficiency and productivity.

Continuous Improvement (10%): Training will be offered to Office/Support Staff, Supervisors and Managers to properly assess and improve current work processes. Courses to be delivered will enable staff with the knowledge to perform internal audits and test equipment.

Computer-Based Training (30%): Training will be offered to all occupations to familiarize staff with the Company's ERP System (QAD). Trainees will learn various modules within the program that include maintenance, inventory, purchasing, finance, analysis, and project management controls.

Productive Laboratory

Under the Panel's Productive Laboratory (PL) program, trainees may produce goods for profit as part of the training in the courses identified under the Curriculum. Training will be conducted with a 1:1 ratio not to exceed 40 hours per trainee, consistent with Panel standards. This training will be delivered to Production Staff in Manufacturing Skills. This training will include cross-training to run machinery independently as well as complete daily job duties on time.

RayPak has determined that PL training is the most effective way for employees to learn the complexities of various day-to-day operations. A trainer is assigned to the trainee and provides step-by-step instruction and support. Trainees will use power tools, welding equipment, punch press machines, press brakes, and measuring devices.

A checklist is provided for each trainee and tasks are delivered in six phases to ensure the trainee is capable of completing tasks. This includes familiarization of all tooling and equipment required to perform set-ups, adjustments on different machines, load/unload dies on machines using a forklift/crane, measure angles/radius accurately, and single part set-up for operation. The trainer then conducts two evaluations; a mid-training performance evaluation and final performance evaluation. Following PL training, the trainer completes a Skill Evaluation Form and determines if the trainee successfully or unsuccessfully completed the tasks.

Advanced Technology

Production Staff often works with high tech 3-D programs and must be up-to-date with the latest technology in Computer-Aided Design (CAD) and Computer-Aided Manufacturing (CAM) software. It is important staff receive training in CAD/CAM to meet employer expectations and manufacture the best products possible.

The trainer-to-trainee ratio is 1:10 for AT, to allow in-depth coverage and personal attention from the instructor.

Commitment to Training

RayPak spends approximately \$10,000 annually in training. The Company will continue to deliver training such as Safety Training, On-the-Job Training, and other State and Federal mandated training outside of this ETP project.

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

➤ Training Infrastructure

The Human Resource Manager will be responsible for the overall coordination of this ETP program. Two support staff members have also been assigned to complete administrative tasks which include scheduling training, enrollments, payments, collecting training rosters and data entry via the ETP Online Tracking System.

RECOMMENDATION

Staff recommends approval of this proposal.

DEVELOPMENT SERVICES

N/A

ADMINISTRATIVE SERVICES

N/A

TRAINING VENDORS

N/A

Exhibit B: Menu Curriculum

Class/Lab Hours

8-200

Trainees may receive any of the following:

BUSINESS SKILLS

- Customer Service

COMMERCIAL SKILLS

- Product Technical Training (Pool or Commercial)

COMPUTER SKILLS

- Microsoft Office (Advanced/Intermediate)
- Human Resources Information System Self Service

CONTINUOUS IMPROVEMENT

- ISO Internal Auditor
- Engineering Lab Equipment

MANAGEMENT SKILLS (Managers/Supervisors Only)

- Emotional Intelligence
- Performance Management
- Leadership

MANUFACTURING SKILLS

- Assembler 3 Cross-Training
- Assembler 4 Cross-Training
- Lock-Out/Tag Out
- Lean Manufacturing (5S)
- Blue Print Reading
- Forklift Operation
- Welding Operation

AT Hours

0-40

ADVANCED TECHNOLOGY

- Computer-Aided Design
- Computer-AM

Productive Lab Hours

0-40

MANUFACTURING SKILLS (Ratio 1:1)

- Assembler 3 Cross-Training
- Assembler 4 Cross-Training
- Brazing and Welding
- Press Brake Set-Up

- Punch Press Set-Up
- Spotwelding
- American Society of Mechanical Engineers Testing
- CNC Mill
- Shipping Operations
- End of Line Testing
- Engineering Lab Cross-Training
- Technical Service Training

CBT Hours

0-24

MANUFACTURING SKILLS

- ERP-QAD Modules (24 hrs)

Note: Reimbursement for retraining is capped at 200 total training hours per trainee, regardless of the method of delivery. CBT is capped at 50% of total training hours, per trainee. Productive Lab is capped at 40 hours per trainee.