



**Retrainee – Job Creation
Training Proposal for:
Reindeer, Inc.**

Fast Track ≤ \$100,000

ET15-0172

Panel Meeting of: June 27, 2014

ETP Regional Office: San Diego

Analyst: S. Godin

CONTRACTOR

- Type of Industry: Services

- Priority Industry: Yes No

- Number of Full-Time Employees
 - California: Reindeer: 11; Tom’s Truck Centers 186 (all 3 TTCs)
 - Worldwide: 197 (Reindeer & Affiliates)
 - Number to be trained: 197 (Reindeer & Affiliates)
 - Owner Yes No
 - Mgr/Supr 0
 - Frontline 20

- Out-of-State Competition: No OSC
- Special Employment Training: Yes No
- High Unemployment Area: Yes No
- Turnover Rate: 16%
- Repeat Contractor: Yes No
- Substantial Contribution: Yes No

FUNDING

- Requested Amount: \$80,000
- In-Kind Contribution: \$100,000

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 Job Creation Initiative SET	Commercial Skills, Computer Skills, HazMat Skills PL-Comm Skills	20	8-200	0	\$4,000	\$13.50
				Weighted Avg: 200			

- Reimbursement Rate: \$20 Job Creation/Retrainee
- County(ies): Orange, Los Angeles
- Occupations to be Trained: Automotive Technician Trainee
- Union Representation: Yes
 No
- Health Benefits: N/A
- Electronic Recordkeeping: N/A

SUBCONTRACTORS

- Development Services: Tax Credit Co. (TCC) in Los Angeles provided development services for \$4,000.
- Administrative Services: TCC will provide Administrative Services for a fee not to exceed 13% of payment earned.
- Training Vendors: N/A

OVERVIEW

Reindeer, Inc. (Reindeer) was founded in 1973 as a business providing competitively priced new, recycled, and rebuilt auto parts. Located in Garden Grove, the Company continues to recycle vehicles for spare parts. Automotive fluids including oils, antifreeze/coolant, and Freon are also recycled. Reindeer is closely affiliated with three sister companies: Tom’s Truck Center, Inc. (Santa Ana) ; Tom’s Truck Center South County, Inc. (Santa Ana); and Tom’s Truck Center North County, LLC (Santa Fe Springs). As a group, Reindeer and its affiliates provide full service repairs and sales of new and used trucks. All four entities have one common owner.

Reindeer is eligible as a lead employer, with its affiliates, under Special Employment Training (SET). Under SET, the employer is not required to demonstrate out-of-state competition. Ordinarily, SET trainees must earn the statewide average hourly wage at the end of retention. However, the Job Creation trainees in this proposal will qualify to earn the new-hire wage for the respective county they work, at the end of retention.

Reindeer will hire the 20 new employees and will oversee their training. All trainees will be enrolled and paid under the Reindeer CEAN; all training will be at the Reindeer facility. Once training has been completed, trainees may be transferred and become employees at any of the three participating affiliates. At the time of their transfer, the employees will then be covered under the corresponding affiliate's CEAN. These transfers may occur during the 90 day retention period.

Per Executive Staff, these affiliates, while each individually a small business, will be funded at the Job Creation rate (\$20) not the small business rate (\$22). This is due to the fact that although each affiliate has its own CEAN, they are operating as one business organization for this proposal with a total employee count greater than 100.

PROJECT DETAILS

Reindeer reports that the California automotive repair industry faces a shortage of trained and experienced automotive technicians for vehicle dealerships. To address this shortage, the Company developed a structured program to train entry-level automotive technicians. Trainees are able to gain paid, hands-on experience through dismantling, repairing, rebuilding, and recycling vehicle parts from cars and trucks no longer operating on the road. These newly hired employees will also be trained in all aspects of automotive repair. Many of the past trainees have continued their careers as technicians at one of the Tom's Truck Center (TCC) affiliates.

For most of these trainees, working for Reindeer will be their first job. Some may be recent high school graduates who participated in an automotive repair class, graduates of technical training schools, or may not have had any previous training in the industry. Others may have Multiple Barriers to employment such as lack of work history, previous incarceration and/or gang involvement, lack of a high school diploma, or single teenaged parenthood. Working for Reindeer is a step towards self-sufficiency and a career in the automotive repair industry.

Retrainee – Job Creation

Reindeer and its affiliates have committed to hiring 20 new employees during the Agreement's 24 month term. Trainees must be hired within the three month period prior to Panel approval or during the term of the contract. Under the Job Creation program, newly hired trainees will be subject to a lower post-retention wage and will receive an incentive reimbursement rate.

All Job Creation trainees are automotive technician trainees. These trainees will be hired and trained at the Reindeer facility; however, some of the trainees may be transferred to a TCC affiliate after training to complete the 90-day retention. The hiring and training of Job Creation trainees will enable Reindeer to expand its workforce while helping the community.

Training Plan

Trainees will be trained at Reindeer's classroom and training laboratory. Trainers are in-house subject matter experts. Training delivery consists of Class/Lab training, Productive Lab (PL) training, and on-the-job training (not reimbursed by ETP). Reindeer has requested ETP reimbursement for 200 of those hours and states that the number of training hours is justified by the career path afforded by this training.

Trainees will be paid \$13.50 per hour during training and the 90-day retention period. Once retention is completed, these Employees will continue to work with master technicians at Tom's Auto Center sites where their hourly wages will range from \$16.00 to \$24.00 within a two year

period. In addition to the potential wage progression, the trainees will have “portable skills” in the automotive trade.

Commercial Skills - Training will be delivered in the following core areas: materials/tools/auto parts identification and use; welding techniques; auto parts dismantling; brake operation, repair and maintenance; transmission dismantling, rebuilding and repair; engine dismantling and rebuilding, repair and maintenance; and service department operations. Trainees will also learn to operate a forklift, pneumatic wrenches, grinders, cutting torches, jacks and other equipment used in the auto repair industry.

Computer Skills - Trainees will learn to navigate Reindeer’s service and parts department software and be able to enter and track status of work orders.

Hazardous Materials - Trainees will receive skills training in hazardous waste and spill operations and emergency response. Trainees will also learn how to properly complete hazardous material safety data sheets.

Productive Lab

Under the Panel’s PL guidelines, trainees may produce goods or perform services for profit as part of the training. Reindeer’s trainer-to-trainee ratio will range from 1:1 to 1:3. The trainers are in-house subject matter experts who are exclusively dedicated to instruction for the entire reported training time. Trainees may receive up to 50 training hours of Commercial Skills PL. Hands-on training will complement Class/Lab training.

RECOMMENDATION

Staff recommends approval of this proposal.

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

8–200

Trainees may receive any of the following:

COMMERCIAL SKILLS

- + Forklift Operation**
- + Hand & Power Tools – Use & Functions**
 - Types of Welding Equipment
 - Determining Type to Use
 - Proper Operation of Equipment
 - Equipment & Machinery Maintenance
- + Proper Usage of Lift and Jack Stand**
- + Safety Training on Shop Equipment**
- + Service Department Operations**
 - Policies and Procedures
 - Paperwork Flow
 - Work Orders
 - Tracking of Orders
 - Cost Estimates
- + Dismantling**
 - Transmission Removal
 - Fluid Draining
 - Installing Plugs and Filter
 - Shipping Preparation
 - Crating for Shipment
- + Brake Operations and Parts**
 - Reading Specs on Drums and Rotors
 - Turning Drums and Rotors
 - Arcing Brake Shoes
 - Installing Shoe Material
 - Brake Maintenance
- + Vehicle Parts Knowledge**
 - Determining Correct Parts to Use
 - Identifying Parts and Stock Numbers
 - How to Pull Parts
 - Labels
- + Engine Disassembly and Rebuilding**
 - Short Block
 - Long Block
 - Removal of Engine
 - Inspection of Engine
 - Evaluating Parts
 - Engine Rebuilding
 - Transmission Rebuilding
- + Truck Box Dismantling**
 - Box Inspection
 - Inspection Write-Up Procedures
 - Box & Box Area Storage
 - Box Removal

+ Service Department

- Paperwork Flow
- Estimating Procedures
- Communications with Service Advisors
- Computer Dispatching

COMPUTER SKILLS

+ Service & Parts Department Software

- Entering Orders
- Tracking Progress on Orders
- Tracking Costs
- Tracking Parts

HAZARDOUS MATERIALS

+ HazMat Handling

- Emergency Clean-Up
- Registration, Evaluation Authorization & Restriction of Chemical Substances

PL Hours

0-50

COMMERCIAL SKILLS

+ Dismantling

- Transmission Removal & Rebuilding
- Fluid Draining
- Installing Plugs and Filter
- Shipping Preparation
- Crating for Shipment

+ Brake Operations and Parts

- Reading Specs on Drums and Rotors
- Turning Drums and Rotors
- Arcing Shoes
- Installing Shoe Material
- Brake Maintenance

+ Engine Disassembly and Rebuilding

- Short Block
- Long Block
- Engine Components
- Removal of Engine
- Inspection of Engine
- Evaluating Parts
- Engine Rebuilding
- Transmission Rebuilding
- Equipment & Machinery Maintenance

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

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