



RETRAINEE - JOB CREATION

Training Proposal for:

Rich Products Corporation

Agreement Number: ET15-0402

Panel Meeting of: March 27, 2015

ETP Regional Office: Sacramento

Analyst: W.Sabah

PROJECT PROFILE

Contract Attributes:	Retrainee Priority Rate HUA Job Creation Initiative	Industry Sector(s):	Manufacturing Priority Industry: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Counties Served:	Fresno	Repeat Contractor:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Union(s):	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Teamster Local 431		
Number of Employees in:	CA: 589	U.S.:3,100	Worldwide: 7,500
<u>Turnover Rate:</u>	2%		
<u>Managers/Supervisors:</u> (% of total trainees)	11%		

FUNDING DETAIL

Program Costs	-	(Substantial Contribution)	=	(High Earner Reduction)	=	Total ETP Funding
\$108,200		\$0		\$0		\$108,200

In-Kind Contribution:	100% of Total ETP Funding Required	\$125,500
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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 HUA	Commercial Skills, Computer Skills, Continuous Impr., Mfg. Skills, Mgmt Skills, OSHA 10/30	140	8-200	0	\$630	\$15.07
				Weighted Avg: 35			
2	Retrainee Priority Job Creation HUA	Commercial Skills, Computer Skills, Continuous Impv., Mfg. Skills, OSHA 10 PL-Mfg. Skills	20	8-200	0	\$1,000	\$14.00
				Weighted Avg: 50			

Minimum Wage by County: \$15.07 per hour for Job Number 1 and \$12.33 per hour for Job Number 2 in Fresno 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

Wage Range by Occupation		
Occupation Titles	Wage Range	Estimated # of Trainees
Job Number 1		
Production Staff		80
Mechanics/ Maintenance Staff		8
Quality Control Staff		6
Warehouse Staff		12
Sanitation Staff		10
Administrative Staff		7
Front Line Managers/ Front Line Supervisors		17
Job Number 2		
Production Staff		17
Mechanics/Maintenance Staff		3

INTRODUCTION

Founded in 1945, Rich Products Corporation (Rich Foods) www.richs.com developed the world's first frozen non-dairy whipped topping. The Company found its niche in the non-dairy segment of the frozen food industry and has become a world leader in non-dairy toppings,

icings and other emulsions. Headquartered in Buffalo, NY, Rich Foods has a worldwide presence with facilities in Canada, China, Malaysia, Vietnam, India, Australia, Korea, Mexico, Brazil, Argentina, United Kingdom, Russia, Turkey and South Africa. The Company also produces other key products, including cakes/desserts, pizza, bakery products, breads/rolls, shrimp/seafood, appetizers/snacks, meatballs, pasta; and gluten-free and all-natural items. Rich Foods serves the food service industry, in-store bakeries, and retail marketplaces. Customers include Costco, Wal-Mart, California Pizza Kitchen, Smart-n-Final, and a variety of grocery chains. The Company has 4 locations in California. Training will only take place at the Company's Fresno facility.

PROJECT DETAILS

Rich Foods strives to remain competitive with a strong presence in the California manufacturing community and retain their reputation for quality and service. Rich Foods has made a commitment to retool and maximize production at the Fresno facility rather than seek new modern facilities elsewhere. The Fresno facility requires modernization and implementation of training programs in order to improve efficiency, increase productivity, and allow staff to provide faster customer service.

This is the second proposal for Rich Foods. During the prior ETP contract, Rich Foods focused on Phase 1 of the Manufacturing Line Optimization Program. In the current proposal, Rich Foods plans on instituting an advanced, Phase 2, Manufacturing Line Optimization Program that will further develop staff production efficiency and allow employees to properly integrate data and function adjustments to production equipment. The Company also recognizes the ever-changing need to provide high quality products and services to its customers. Training in this proposal will not duplicate the training in the prior contract as Phase 2 is more advanced and will build on the Phase 1 training.

Retrainee - Job Creation

In support of job creation, the Panel is offering incentives to companies that commit to hiring new employees. 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.

Rich Foods has committed to hiring 20 new employees (Job Number 2). To increase capacities and expand services, the Company is implementing a new product line that will be introduced mid-2015. A new cinnamon roll product line will utilize current equipment that were previously idle but will be modified to accommodate the new products. The newly modified product line will increase production output and have new production processes, which subsequently will require the addition of 20 New Hire employees during the course of this contract. The date-of-hire 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

To remain competitive, the Company will be implementing a training plan that will focus on sanitation practices, handling of production equipment, and inventory management.

Commercial Skills (15%) Training will be provided to Mechanics and Maintenance Staff. Training will focus on safe operation, cleaning, maintenance and troubleshooting of refrigeration equipment, rotary valve pumps and boiler machinery.

Computer Skills (10%) Training will be offered to all occupations. Training will focus on production scheduling, material tracking, inventory management and increasing production speed. Front Line Supervisors, Warehouse Staff, Administrative Staff and Production Staff will receive training on Materials Resource Planning Software training to measure and monitor inventory, and optimize production capacity.

Continuous Improvement Skills (20%) Training will be offered to all occupations. Training will focus on improving productivity, increasing team morale, and standardizing product quality. Leadership courses for Frontline Managers and Frontline Supervisors will allow trainees to coach, mentor, motivate, and advocate for employees.

Manufacturing Skills (35%) Training will be offered to all occupations. Training will focus on Manufacturing Line Optimization Program training which will measure production performance, maximize production processes, and make adjustments to machines to achieve maximum output. In addition, sanitation training will allow trainees to improve sanitation and quality control systems.

Management Skills (5%) Training will be offered to Frontline Managers and Front Line Supervisors. Training will focus on identifying Company needs and goals, building consensus on implementation of goals, communicating plans to the workforce, communication with customers and vendors, and improving inventory control and shipping accuracy.

OSHA 10/30 (10%) This training is a series of courses “bundled” by industry sector and occupation. It consists of 10 hours of classroom training for Production Staff, Mechanics, Maintenance Staff, and Warehouse Staff and 30 hours for Frontline Supervisors. The coursework is geared towards construction work and manufacturing. Completion of the training results in a certificate that expands employment opportunities. The coursework must be approved by Cal-OSHA, and the instructors must be certified by Cal-OSHA.

Productive Laboratory

During Productive Laboratory (PL) training, 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.

Training will be offered to all Production Staff, Mechanics and Maintenance Staff in Job Number 2 only. PL training will supplement Class/Lab training to improve machine set-ups, operation, preventative maintenance, setting changes, and cycle time analysis and maximization. In spring of 2015, Rich Foods will implement a new product line that will require PL training on new processes, new recipes and newly modified machinery. Equipment will include but is not limited to: Adamatic Dough Roller, Ink Jet Box Printers, Sheet Rollers, Glycol Mixers, Spiral Freezers, Auto Particulate Conveyor, and Ice Cream Freeze Tunnels.

Newly hired employees (Job Number 2) will receive up to 25 hours of PL training. Newly hired employees are inexperienced and untrained on each type of machinery and require hands-on-training. The trainers will be experts in the course topics and provide demonstration of the process prior to observing the trainee perform the task. Mentoring by the trainer will be provided until the trainee has an increased level of efficiency, speed and capacity and has been deemed competent in the area. During training, production is expected to decrease while waste and defects are expected to increase. The trainer-to-trainee ratio will not exceed 1:2. Rich foods is requesting this higher trainer-to-trainee ratio to increase the efficiency of the technical training. (2 trainees training together may encounter different issues and allow trainees to learn from each other's experiences.)

Commitment to Training

Rich Foods currently has an annual training budget of \$30,000, which includes state mandated safety training, new employee orientation, violence in the workplace, and sexual harassment prevention training. Rich Foods 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.

High Unemployment Area

All 140 trainees work in a High Unemployment Area (HUA), a region with unemployment exceeding the state average by at least 25%. The Company's Fresno County location qualifies for HUA status under these standards. However, Rich Foods is not requesting a wage modification.

RECOMMENDATION

Staff recommends approval of this proposal.

PRIOR PROJECTS

The following table summarizes performance by Rich Foods under an ETP Agreement that was completed within the last five years:

Agreement No.	Location (City)	Term	Approved Amount	Payment Earned \$ %
ET12-0431	Fresno, Santa Fe Springs, South San Francisco/Union City	06/30/2012-06/29/2014	\$407,610	\$79,376 (19%)

ET12-0431 – Rich Foods completed 19% of the approved contract amount providing training at the following facilities: Fresno, Santa Fe Springs (2 locations), and South San Francisco/Union City. The contractor's under performance was due to a plant closure in Santa Fe Springs and the release of a majority of upper management in Union City and the remaining Santa Fe Springs facility as a result of the economic downturn. This resulted in a lack of leadership support for training activities and inconsistent training. In addition, employees in the Union City and the remaining Santa Fe Springs facility had to focus on production and plant operations as they waited for new management. However, the Fresno Plant earned 56% of the training funds for that facility. Thus the Company is only requesting funds for training at the Fresno Plant for the current contract. From the prior contract, the Company has gained experience in ETP training, improved their administration process, and have developed a comprehensive training schedule to ensure completion of 100% of the requested funding.

DEVELOPMENT SERVICES

Rich Foods retained Strategic Business Solutions in Visalia to assist with development of this proposal for a flat fee of \$6,750.

ADMINISTRATIVE SERVICES

Rich Foods also retained Strategic Business Solutions to perform administrative services in connection with this proposal for a fee not to exceed 13% of payment earned.

TRAINING VENDORS

To Be Determined

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

8–200

Trainees may receive any of the following:

COMMERCIAL SKILLS

- Refrigeration Systems Repair and Maintenance
- Rotary Valve Pump, Valves, Gauges
- Stainless Steel Welding
- Boiler Machinery Repair and Maintenance

COMPUTER SKILLS

- Bulls Eye Manufacturing Software
- Materials Resource Planning Software
- Clean In Process (CIP) Data Software

CONTINUOUS IMPROVEMENT

- Team Building
- Leadership
- British Retail Consortium
- Confined Space

MANAGEMENT SKILLS (Managers and Supervisors Only)

- Strategic Planning
- Customer and Vendor Relations

MANUFACTURING SKILLS

- Manufacturing Line Optimization Program
- Production Equipment Safe Operation and Maintenance
- Food Manufacturing Sanitation Best Practice
- Materials Handling Equipment

OSHA 10/30 (OSHA Certified Instructor)

- OSHA 10 (requires completion of 10 hours)
- OSHA 30 (requires completion of 30 hours)

Safety Training cannot exceed 10% of total training hours per-trainee

PL Hours

0-25 (Job Number 2 only)

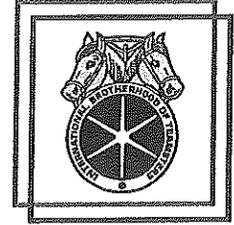
MANUFACTURING SKILLS (1:2 trainer-to-trainee ratio)

- Production Equipment Safe Operation and Maintenance

Note: Reimbursement for retraining is capped at 200 total hours per trainee, regardless of method of delivery. PL is capped at 25 hours per-trainee.

GENERAL TEAMSTERS UNION LOCAL NO. 431

*Packinghouse Employees, Warehousemen, Drivers and Helpers, Dried Fruit and Nut Packers and Dehydrators;
Fresno and Madera Counties, California
Affiliated with the International Brotherhood of Teamsters*



March 2, 2015

Executive Director
Employment Training Panel
1100 J Street 4th Floor
Sacramento CA 95814

Re: ETP Training Program

The International Brotherhood of Teamsters Union Local No. 431 supports the ETP Training Program at Rich Products. We represent the Members employed by Rich Products at the Fresno Plant in California located at 320 "O" Street Fresno CA 93721. The program will provide our Members with skills needed to meet operational demands which in turn will provide a more secure work environment for the future.

If you have any questions, please do not hesitate to contact me at (559) 486-5410 ext 19.

Sincerely,

A handwritten signature in cursive script that reads "Lennie Wells".

Lennie Wells
Secretary-Treasurer
General Teamsters Union Local No. 431

LW/ed