



Training Proposal for:
Rich Products Corporation
Agreement Number: ET16-0178

Panel Meeting of: September 25, 2015

ETP Regional Office: San Diego

Analyst: J. Davey

PROJECT PROFILE

Contract Attributes:	Priority Rate Retrainee	Industry Sector(s):	Manufacturing Priority Industry: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Counties Served:	Orange	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: 800	U.S.:8,700	Worldwide: 9,200
<u>Turnover Rate:</u>	2%		
<u>Managers/Supervisors:</u> (% of total trainees)	19%		

FUNDING DETAIL

Program Costs	-	(Substantial Contribution)	(High Earner Reduction)	=	Total ETP Funding
\$141,768		\$0	\$0		\$141,768

In-Kind Contribution:	100% of Total ETP Funding Required	\$165,396
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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, Manufacturing Skills	179	8-200	0	\$792	\$16.02
				Weighted Avg: 44			

Minimum Wage by County: \$16.02 per hour for Retrainees for Orange 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 \$2.02 per hour may be used to meet the Post-Retention Wage.

Wage Range by Occupation

Occupation Titles	Wage Range	Estimated # of Trainees
Administrative Staff		6
Frontline Supervisors		24
Maintenance Staff		16
Managers		10
Materials Staff		21
Production Associates		94
Quality Staff		8

INTRODUCTION

Founded in 1945 and headquartered in Buffalo, NY, Rich Products Corporation (Rich Products) (rich.com) developed the world's first frozen non-dairy whipped topping. Today, the Company also produces bakery items; shrimp/seafood; appetizers/snacks; meatballs; and pasta. The new product line includes gluten-free and all-natural food items. Rich Products is a global company, with facilities on five continents. Its products are sold to the food service industry, in-store bakeries, and retail marketplaces including Costco, Wal-Mart, California Pizza Kitchen, and Smart-n-Final.

PROJECT DETAILS

Rich Products has seen substantial growth over the last several years as the market for specialty baked goods has increased. In keeping with this growth, the Company purchased Goglanian Bakeries in 2012, with facilities in Santa Ana.

After the ownership transition, many new quality-control and advanced manufacturing systems were put in place to improve operational capabilities and keep costs to a minimum. In addition, regulations in food manufacturing have become more strict. Training will take place at the former Goglanian plant in Santa Ana where a new manager has been retained.

Training Plan

Business Skills (4%): This training will be offered to Administrative Support Staff, Quality and Supervisory Staff. Training will provide skills that will help employees become more proactive and customer-focused.

Computer Skills (8%): This training will be offered to Administrative Support Staff, Materials Staff, and some Frontline Supervisors. Training will cover the new Rich computer networking procedures. Intermediate and Advanced Microsoft Office programs of Access, Excel and PowerPoint will also be delivered.

Continuous Improvement (66%): This training will be offered to all occupations. Training in Lean Enterprises, Total Productive Maintenance, Team Building, Problem Analysis, Process Improvement, and Statistical Process Control and leadership will help the Company reduce costs, errors, inventory levels, and product cycle times.

Manufacturing Skills (22%): This training will be offered to Production Staff. Due to increasing complexity of equipment and systems, trainees will need skills to implement new methods and procedures as Lean Enterprises and Good Manufacturing Practices become the driving focus of the operations. Training will increase productivity and quality and decrease downtimes.

Commitment to Training

Rich Products represents that ETP funds will not displace the existing financial commitment to training. The Company spends approximately \$25,000 annually per facility in California for HAZMAT, OSHA, Top-Level Leadership, software training and various corporate training for managers, production skills, and food safety training. Safety training will also continue to be provided in accordance with all pertinent requirements under state and federal law.

➤ Training Infrastructure

Kirkpatrick Enterprises International will provide contract administration, as noted below. The Santa Ana plant manager, who is familiar with ETP-funded training, will act as liason.

RECOMMENDATION

Staff recommends approval of this proposal.

PRIOR PROJECTS

The following table summarizes performance by Rich Products 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, San Francisco	6/30/2012–6/29/2014	\$407,610	\$79,376	(20%)*
ET12-0170	Santa Ana	11/28/2011–11/27/2013	\$329,300	\$75,820	(23%)**

*ET12-0431 – (Rich Products) This project was developed for the Company's Northern California locations just before it acquired Goglanian Bakeries in Santa Ana. Training was delayed due to labor disputes at the Santa Fe Springs location and the hiring of a new management team at the Fresno location. The Company has stabilized since the acquisition and the issues at Santa Fe Springs and Fresno have been resolved. (None of these three locations is included in the current proposal.)

**ET12-0170 – (Goglanian Bakery) This contract was initially held by Goglanian Bakeries and was assumed by Rich Products midway through the term as part of the acquisition. After the acquisition, training was put on hold, as the focus shifted prior to ownership transition. In the current proposal, Rich Products is requesting less than half of the amount of this Agreement, so that it can demonstrate positive performance at the location in Santa Ana.

DEVELOPMENT SERVICES

Rich Products retained Kirkpatrick Enterprises International in Valencia to assist with development of this proposal for no charge.

ADMINISTRATIVE SERVICES

Rich Products also retained Kirkpatrick Enterprises International 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:

BUSINESS SKILLS

- Business Operations & Procedures
- Business Communication
- Advanced Customer Relationship Skills

COMPUTER SKILLS

- Distribution Requirement Planning (DRP) Reporting Software
- Continuous Process Improvement Software
- MS Office – Intermediate/Advanced

CONTINUOUS IMPROVEMENT

- Lean Manufacturing/Six Sigma
- Total Productive Maintenance
- SPC (Statistical Process Control)
- Leadership Skills for Frontline Workers

MANUFACTURING SKILLS

- Production Equipment Operation
- Maintenance Skills
- Food Safety
- GMP (Good Manufacturing Practices)

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