



**Training Proposal for:  
Rocket EMS, Inc.**

**Agreement Number: ET17-0170**

**Panel Meeting of:** August 26, 2016

**ETP Regional Office:** San Francisco Bay Area

**Analyst:** R. Jackson

**PROJECT PROFILE**

Contract Attributes:	Retrainee Priority Rate	Industry Sector(s):	Manufacturing Aerospace and Defense Technology/Other  Priority Industry: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Counties Served:	Santa Clara	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: 206	U.S.: 206	Worldwide: 206
<u>Turnover Rate:</u>	14%		
<u>Managers/Supervisors:</u> (% of total trainees)	20%		

**FUNDING DETAIL**

Program Costs	-	(Substantial Contribution)	(High Earner Reduction)	=	<b>Total ETP Funding</b>
\$143,370		\$0	\$0		\$143,370

In-Kind Contribution:	100% of Total ETP Funding Required	\$143,370
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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, Mfg Skills, Mgmt Skills	177	8-200	0	\$810	\$17.02
				Weighted Avg: 45			

It will be made a condition of contract that trainees will never be paid less than the State or local minimum wage rate as in effect at the end of retention (Final Payment) regardless of the wage expressed in this table. The highest minimum wage rate will prevail.

**Minimum Wage by County:** \$17.02 for Santa Clara 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 \$3.02 per hour may be used to meet the Post-Retention Wage.

Wage Range by Occupation		
Occupation Titles	Wage Range	Estimated # of Trainees
Assembler		88
QC Inspector		13
Engineer		20
Manager		10
Administrative Staff		19
Customer Service Staff		15
Supervisor		11
IT Staff		1

**INTRODUCTION**

Established in 2011, Rocket EMS, Inc. (Rocket) ([www.rocketems.com](http://www.rocketems.com)) is a large manufacturing business based in Santa Clara. Rocket develops and assembles custom-printed circuit board products to support clients in a variety of industries including: Defense, Aerospace, Medical and Commercial Electronics. Customers include Lockheed, General Dynamics, Intel, Clarity Medical, Kaiam, and Sentient.

**PROJECT DETAILS**

Training will support Rocket's Quality Management System (QMS) upgrades. These upgrades will assist Rocket in reaching goals to expand business in California, reduce risks (identified in Gap Analysis conducted in 2016), and improve its competitive position by reinforcing cross-training, quality assurance and skills upgrades. The focus of QMS is to monitor, measure and address training needs correlated to boost productivity. Rocket plans to increase revenue by

15% per year primarily by sustaining and growing ISO and IPC certification dependent customers and continuous improvement activities that shorten lead time and reduce errors.

All of the Company's products must conform to specific internal testing requirements driven in part by customer demands for ISO 2015, ISO9001, ISO13485, and IPC 610 certifications. These are standard certifications which help to control the quality of manufactured products. These certifications are highly regarded amongst supply chain decision-makers and quality professionals in the field. While Rocket is currently certified in ISO 9001 2008, obtaining these updated certifications will help the Company remain competitive to counter increasing pressures from offshore and out-of-state companies. The new ISO 9001:2015 standard includes Risk Mitigation, which will require more focus on process requirements.

### **Training Plan**

Training will be delivered by in-house subject-matter experts and third party training vendors.

**Manufacturing Skills (20%)** – Training will be delivered to Assemblers, QC Inspectors, Supervisors and Managers. Training includes chemical manufacturing, design and engineering; equipment operations; and production skills. These skills are transferable within the industry and generally held to be skill upgrades for the workforce.

**Continuous Improvement (35%)** – Training will be offered to all occupations in an effort to develop efficiency through quality assurance initiatives. Staff will be able to make decisions and take immediate action, resulting in a greater attention to detail, error reduction, and a reduction in customer response time. ISO will also be provided to ensure quality standards are met for various customer and industry requirements.

**Computer Skills (10%)** - Training will be delivered to all occupations to improve processing of customer orders and maintain reliable administration. Updates to CAD/CAM and ERP systems require training updates for all occupations. IT staff will receive server and hardware configurations training.

**Business Skills (15%)** – Training will be delivered to Administrative Staff and Supervisors to enhance customer service. This will assist the company with new product introductions. Topics include leadership, marketing for growth, performance management, and customer service.

**Management Training (20%)** – Training will be delivered to Managers and Supervisors only. Topics include Plan Do Check Act, and 8D Problem-Solving Techniques. Training will provide skills to the management team to help the Company attain its growth and quality improvement goals.

### **Commitment to Training**

Rocket represents that ETP funds will not displace the Company's existing financial commitment to training. The Company reports that it spent \$108,000 for training for California employees in 2015. The Company provides substantial training resources to ensure employees have the basic technical and business skills to do their job. Ongoing training efforts also include Policy and Procedures training, on-the job training, product orientation, compliance training, safety training. Safety training is, and will continue to be, provided in accordance with all pertinent requirements under state and federal law.

### **RECOMMENDATION**

Staff recommends approval of this proposal.

**DEVELOPMENT SERVICES**

Rocket retained Leonard Stephens in Hayward to assist with development of this proposal for a flat fee of \$4,500.

**ADMINISTRATIVE SERVICES**

Rocket also retained Leonard Stephens to perform administrative services in connection with this proposal for a fee not to exceed 13% of payment earned.

**TRAINING VENDORS**

Leonard Stephens of Hayward has been retained to provide training for a fee of \$60,000 to provide Business Skills, Computer Skills, Continuous Improvement, Manufacturing Skills, and Management Skills.

## Exhibit B: Menu Curriculum

### Class/Lab Hours

8-200

Trainees may receive any of the following:

#### **BUSINESS SKILLS**

- + Business Strategies for Growth
- + Customer Service Skills for Growth
  - Communications
  - Team Building
  - Negotiations
- + Leadership for Growth
- + Performance Management
- + Sales & Marketing for Growth

#### **COMPUTER SKILLS**

- + CAD/CAM (Computer-Aided Design/Computer-Aided Manufacturing)
- + Enterprise Resource Planning (ERP)
  - Epicor
- + Intermediate/Advanced Software Systems
  - Microsoft Applications
  - Proprietary Reporting & Support Systems
- + Server & Hardware Configurations

#### **CONTINUOUS IMPROVEMENT**

- + Continuous Improvement Techniques
  - Lean 5S
  - Six Sigma
  - Frontline Decision Making & Problem Solving
  - Root Cause Analysis
  - High Performance Workplace
- + ISO 9001:2015

#### **MANUFACTURING SKILLS**

- + Advanced Techniques for New Products, Industries, Clients & Processes
  - Automotive & Transportation
  - Chemical Manufacturing
  - Design & Engineering
  - Equipment Operations
  - Production Skills
- + IPC 610
- + Jstd-001 PCBA
- + Quality Control

#### **MANAGEMENT SKILLS** (Managers and Supervisors only)

- + 8D Problem Solving Techniques
- + Plan Do Check Act
- + Design & Engineering
- + Equipment Operations
- + Production Skills

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