

DELEGATION ORDER



**Retrainee - Job Creation
Training Proposal for:**

Rudy's Auto Body, Inc. dba Fix Auto Fairfield - Suisun City

Small Business

ET17-0172

Approval Date: August 18, 2016

ETP Regional Office: Sacramento

Analyst: W. Sabah

CONTRACTOR

- Type of Industry: Services
Priority Industry: Yes No

- Number of Full-Time Employees
California: 13
Worldwide: 13
Number to be trained: 11
Owner Yes No

- Out-of-State Competition: No OSC
- Special Employment Training (SET): Yes No
- High Unemployment Area (HUA): Yes No
- Turnover Rate: 4%
- Repeat Contractor: Yes No

FUNDING

- Requested Amount: \$14,520
- In-Kind Contribution: \$19,230

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 SB <100 SET	Business Skills, Commercial Skills, Computer Skills, Cont. Imprv., HazMat, PL- Commercial Skills	7	8-60	0	\$1,320	\$28.37
				Weighted Avg: 60			
2	Retrainee Job Creation Initiative SB <100 SET	Business Skills, Commercial Skills, Computer Skills, Cont. Imprv., HazMat, PL- Commercial Skills	4	8-60	0	\$1,320	*\$13.00
				Weighted Avg: 60			

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

- Reimbursement Rate: Job #'s 1 & 2: \$22 SB Non-Priority
- County(ies): Solano
- Occupations to be Trained: Estimator, Technician, Owner
- Union Representation: Yes
 No
- Health Benefits: Job #1: \$1.87 per hour

SUBCONTRACTORS

- Development Services: Synergy Management Consultants, LLC in Grass Valley assisted with development of this project for a flat fee of \$1,150
- Administrative Services: Synergy Management Consultants, LLC will also provide administrative services for a fee not to exceed 13% of payment earned.
- Training Vendors: To Be Determined

OVERVIEW

Founded in 1962 and located in Suisun City, Rudy's Auto Body, Inc. dba Fix Auto Fairfield – Suisun City (Rudy's Auto Body) (www.rudysautobody.com) is a full service automotive repair center. The Company specializes in automotive mechanical and collision repair services

including the sale of parts and accessories. Rudy's Auto Body's customer base includes residents of Suisun City and the surrounding vicinity.

Need for Training

Industry changes have impacted the collision repair business. Staff needs to train on new industry conditions to remain competitive. The automotive collision repair industry has changed in recent years as vehicles are being produced using different materials including aluminum, boron, ultra high strength steel and composites. Technicians and Estimators require updated skills on new vehicle materials and repair methods.

In addition, Rudy's Auto Body plans to further increase their clientele by having Technicians and Estimators obtain Inter-Industry Conference on Collision Auto Repair (I-CAR) and Automotive Service Excellence (ASE) certification for the new materials. Technicians and Estimators will be trained to become I-CAR and ASE certified to service new vehicle brands such as Toyota, Ford Aluminum, Volkswagen and Tesla. Rudy's Auto Body will also deliver training on customer service, updated operating procedures, marketing, sales, computer software skills and Lean concepts.

Job Creation

As customer demand increases, customer engagement and new vehicle repair skills are becoming necessary for Rudy's Auto Body to sell services more effectively. In addition, Rudy's Auto Body plans to expand its' market share within the next year by increasing insurer contracts and the ability to repair luxury-exotic vehicles such as Tesla. The Company plans to increase its shop sales by 20% by providing customers with faster and more efficient services. To support their growth plan, Rudy's Auto Body has committed to hiring four new full time permanent employees (Job Number 2). The new positions will fill needs in the Technician and Estimator occupations.

The Panel offers incentives to companies that commit to hiring new employees. Trainees will be subject to a lower post-retention wage. The date-of-hire for all trainees will be within the three-month period before contract approval or within the term-of-contract. These trainees will be hired into "net new jobs" as a condition of contract.

Training Plan

Training is scheduled to begin in August 2016, provided by in-house trainers and vendors not yet determined. Training will be provided in the following:

Business Skills: Training will be offered to all occupations. This training is necessary for employees to understand the sales, claims, and insurance claim transmitting process, to see how their function impacts the total customer experience. Estimators will learn skills to properly facilitate the claims process in an effort to create a better customer experience.

Commercial Skills: Training will be offered to all occupations and will cover maintenance-service, new vehicle technologies, aluminum, electric and hybrid repair, and extended I-CAR credentials for the collision center. Also included will be training for certification for VW, Toyota, Ford Aluminum, Tesla and other specific original equipment manufacturers (OEM).

Computer Skills: Training will be offered to all occupations. This training is necessary to accurately assess current conditions, set objectives, notice trends and communicate in a high-flow and often paperless environment. Computer Skills will enable the Company to use IT

systems to track costs, plan production and service flow while communicating with customers, potential customers and employees.

Continuous Improvement: Training will be offered to all occupations to improve quality, cycle time, and cost efficiency by implementing Lean Quality and Production Improvement systems. These processes identify service, production and flow issues and as well as the root cause. The training will provide solutions to improve quality, reduce waste and defects across all areas of the Company. Rudy's Auto Body expects to increase efficiency by 15% with continuous improvement training.

Hazardous Materials this training will be offered to Technicians and will cover hazardous materials handling, disposal.

Productive Lab (PL)

PL training will be provided to Technicians and Estimators to supplement Class/Lab training. The delivery of PL training is necessary as trainees will be given real life projects on which to perform. This training will strengthen employee understanding of how to complete automotive collision repair services. Estimators' PL training will focus on the correct diagnosis of damage and properly working through the documentation, insurance and pricing processes.

Trainees will use the following equipment in PL training: resistance spot welder, mig (metal inert gas) welder, frame rack and measuring system, paint spray guns, paint spray booths, estimating system and various hand tools. Staff will be trained on welding of structural parts, aluminum repair, measuring frames, glass replacement, unibody alignment, mechanical components and system diagnostics and repair. All PL training will take place onsite at Rudy's Auto Body in Suisun City. The trainer-to-trainee ratio for all PL training will be 1:1. Technicians will receive between 0–16 hours of PL training and Estimators will receive between 0–12 hours of PL training.

PL training will consist of a normal collision repair duties where the trainer will walk the trainee through the repair process. The trainer will observe the trainee complete the repair and will offer coaching and mentoring throughout the process. During the PL training, output is expected to decrease by 30%. Trainers will be journey level Technicians or Estimators who are considered to be subject matter experts. After the successful completion of a PL training course, the trainer will sign off that the trainee is competent.

RECOMMENDATION

Staff recommends approval of this proposal.

Exhibit B: Menu Curriculum

Class/Lab Hours

8-60

Trainees may receive any of the following:

BUSINESS SKILLS

- Customer Care Skills
 - Customer Retention
 - Customer Engagement
 - Customer Relationship Building
- Advanced Sales & Marketing Skills
 - Prospecting & Closing
 - Sales Account Management
 - Sales Closing Techniques
 - Sales Procedures & Strategies
- Negotiation Skills
- Conflict Resolution
- Communication Skills
- Presentation Skills

COMMERCIAL SKILLS

- I-CAR Collision Repair Certification Skills
- Refinishing Skills
 - Trim & Hardware
 - Surface Preparation
 - Vehicle Priming/Sealing
 - Paint Spray Guns Maintenance & Set-Up
 - Corrosion Protection Process
 - Sand, Buff & Detail
 - Color Theory & Tints
 - Blending Techniques
 - New Technologies
- Structural Repair
 - Unibody Alignment
 - Three Dimensional Measuring
 - Repair & Replacement of Outer Body Panels
 - High Strength Steels
 - Aluminum Repair Processes
 - MIG Welding Skills
 - Straightening Structural Damage
 - Glass Replacement
 - Pillars, Rocker Panels, Rails, Front Structures & Floor Pan Replacement
 - Heating Cooling and AC Systems
 - Steering & Suspension Systems
 - Advanced Vehicle Systems
 - Composite Materials and Bonding Techniques
- Non-Structural Vehicle Repair Skills
 - Remove & Install Trim & Hardware

- Adhesive Bonding
- Diagnose Wind Noise & Water Leaks
- Aluminum Cosmetic Damage
- Spot Welding
- Composite Repair
- Estimating Skills
 - Steering & Suspension System Damage Analysis
 - Damage on Non-Drivable Vehicles
 - Electrical/Mechanical Systems
 - Stationary Glass
 - Advanced Materials
 - Advanced Vehicle Systems
- Vehicle Operation, Maintenance, & Troubleshooting
- Alternative Fuel & Hybrid Vehicle Repair Diagnostics
- Service Procedures & Scheduling
- Product Knowledge
- OEM (Original Equipment Manufacturer) Knowledge/Skills

COMPUTER SKILLS

- CCCone Software
 - Job Costing
 - Production Flow
 - Production Planning - ETA Times & Dates
 - Internal & External Customer Communication
- Michell & Michell Repair Center Software
- Audatex Software
- CCC Info Systems Software
- Alldata Software
- Microsoft Office Suite (Intermediate/Advanced)
- Quickbooks

CONTINUOUS IMPROVEMENT

- Leadership Skills
- Teambuilding
- Root Cause Analysis
- Kaizen Event Strategy & Implementation
- Lean Concepts
- Process/Quality Improvement
- Problem Solving/Decision Making Skills
- Inventory Control
- Standard Operating Procedures

HAZARDOUS MATERIALS

- Completing Material Safety Data Sheets (MSDS)
- Volatile Organic Compound (VOC) Tracking
- Emergency Clean-Up
- Registration, Evaluation, Authorization & Restriction of Chemical Substances

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

Productive Lab

0-16

COMMERCIAL SKILLS (1:1)

- Body Filler Methods
- Structural Resistance Spot Welding
- Mig Brazing Techniques
- Color Tinting
- Spraying/Blending Techniques
- Measuring Vehicle Structures
- Alignment Process of Unitized Vehicles
- Alignment Process for Full Frame Vehicles
- Aluminum Repair
- Technical Estimating Skills
- Estimating Direct Repair Program (DRP) Skills
- Estimating System Software Skills

Note: Reimbursement for retraining is capped at 60 total hours per-trainee, regardless of method of delivery. PL is capped at 16 hours per-trainee.