

**DELEGATION ORDER**



**Training Proposal for:  
The SYGMA Network, Inc.**

**Agreement Number: ET16-0453**

**Approval Date:** May 9, 2016

**ETP Regional Office:** North Hollywood

**Analyst:** M. Paccereili

**PROJECT PROFILE**

Contract Attributes:	Retrainee Priority Rate	Industry Sector(s):	Warehousing Transportation/Logistics  Priority Industry: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Counties Served:	Los Angeles	*Repeat Contractor:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Union(s):	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Teamsters Local Union 848; Teamsters Automotive, Industrial and Allied Workers Local Union 495; Teamsters Local Union 630		
Number of Employees in:	CA: 241	U.S.: 241	Worldwide: 51,700
<u>Turnover Rate:</u>	19%		
<u>Managers/Supervisors:</u> (% of total trainees)	20%		

\*Prior project approved in March 2016, for a different location.

**FUNDING DETAIL**

Program Costs	-	(Substantial Contribution)	(High Earner Reduction)	=	<b>Total ETP Funding</b>
\$99,144		\$0	\$0		\$99,144

<b>In-Kind Contribution:</b>	<b>100% of Total ETP Funding Required</b>	<b>\$137,700</b>
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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	Cont. Imp., Computer Skills, Business Skills, Comm'l Skills, PL-Comm'l Skills	204	8-200	0-14	\$486	*\$16.48
				Weighted Avg: 27			

**Minimum Wage by County:** \$16.48 in Los Angeles 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 \$4.48 per hour may be used to meet the Post-Retention Wage

Wage Range by Occupation		
Occupation Titles	Wage Range	Estimated # of Trainees
Warehouse Staff		55
Administrative Staff	*	15
Transportation Staff		84
Maintenance Staff		10
Manager/Supervisor		40

\*It will be made a condition of contract that these 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.

**INTRODUCTION**

Located in Lancaster, The SYGMA Network, Inc. (SYGMA) ([www.sygmanetwork.com](http://www.sygmanetwork.com)) is a foodservice distributor to restaurant chains in the United States. The Company warehouses, distributes, and delivers food products, beverages, equipment and supplies to chain restaurants throughout Southern California, Arizona and Nevada. Its customers include Panera Bread, Wing Stop, Panda Express, Einstein, Checker Rally’s, Jenny Craig and Fire House Subs.

To meet quality objectives and delivery commitments, SYGMA is investing \$167,000 in new equipment and technology including Driver scanners, Telogias Onboard Technology and Cuba Scanners. Training is not included in the purchase price of the new equipment and technology; however, it is critical to properly operate and implement both.

SYGMA is also expanding its Internet technology and is moving to a paperless operation. The proposed training will help the Company become paperless resulting in increased business efficiency and improved customer satisfaction. With these changes, the Company expects to increase sales and profitability.

This is SYGMA’s second ETP Agreement. The first Agreement, approved by the Panel in March 2016, was for training at the Company’s distribution center in Stockton, which did not face out-

of-state competition. This Agreement will be for training at the center in Lancaster, which distributes goods to chain restaurants across the United States. Combined, funding for these two locations is under the Single Employer contract cap for FY2015/2016. [Note: The locations were developed separately due to a variation in the training plans.]

## **PROJECT DETAILS**

### **Training Plan**

Training will provide employees the skills necessary to recognize effective processes and procedures. This knowledge base will allow the Company to find solutions to improve productivity, quality and efficiency. Training will be delivered by in-house experts and outside vendors in the following:

**Computer skills (25%):** Training will be provided to all occupations on how to best utilize its current applications as well as the new software and technology.

**Continuous improvement (20%):** Training will be provided to all occupations in SYGMA Quality Standards and Food Safety to improve service quality and customer satisfaction.

**Business skills (10%):** Training will be provided to all occupations and focus on customer service standards, category management and time management.

**Commercial skills (45%):** Training will be provided to Warehouse, Transportation and Maintenance Staff on SYGMA's operating procedures and processes. This training is vital to serving its customers accurately and on time.

### **Productive Laboratory**

The Panel adopted regulations to authorize reimbursement for training delivered in a Productive Laboratory (PL) setting. PL trainees may produce goods for profit as part of training in the courses identified under the Curriculum.

PL in Commercial Skills will be offered to Warehouse, Maintenance and Transportation Staff in equipment operation consisting of balers, electric pallet jacks, forklift, scissor lifts, scrubbers, sweepers, trailers and tractors.

SYGMA developed the following PL training plan: Trainees will be provided with operating procedures and instruction on the equipment. Trainees will learn to diagnose and repair machinery by observation, shadowing the trainer, and completing supervised assignments. Each PL event is structured with specific skills that trainees must learn. Trainees are ultimately evaluated on knowledge, skill, and proficiency. After the successful completion of a PL training course, the trainer will certify competency for each skill before trainees are allowed to work independently. Although PL will average 40 hours per trainee, some trainees will require more PL based on their job duties. PL will not exceed 60 hours per trainee.

PL training will take place onsite and the trainer-to-trainee ratio will not exceed 1:3. The Company requires a higher ratio due to the limited number of equipment and trainers. As most equipment is in constant use, it is necessary to optimize the trainer and trainee's time when the equipment is available. Trainers will be in-house staff and subject matter experts with at least two years of experience in equipment operation.

[Note: PL was approved for training at the Stockton facility under ET16-0394 at the same cap of 60 hours and ratio of 1:3, for the same reasons.]

### **Computer-Based Training**

Some training will also be delivered in a Computer Based-Training (CBT) setting. CBT will serve as a supplement to the class/lab training either as a prerequisite or as a follow-up to ensure trainee's competency in the subject matter. CBT is capped at 50% of the total training hours per trainee.

### **Union Support**

The proposed training is supported by the Teamsters Automotive, Industrial & Allied Workers Local 495 representing the Maintenance staff; Teamsters Local Union 848 representing the Transportation staff; and Teamsters Local Union 630 representing the Warehouse Staff. Letters of support have been provided to ETP.

### **Commitment to Training**

The Company's current training budget for Lancaster is approximately \$1M and covers OSHA-mandated training, new-hire orientation, defensive driver training, sexual harassment prevention, ethics training, ergonomics, environmental and on-the-job training.

ETP funds will not displace the existing financial commitment to training. Safety training is provided in accordance with all pertinent requirements under state and federal law.

### **RECOMMENDATION**

Staff recommends approval of this proposal.

### **DEVELOPMENT SERVICES**

N/A

### **ADMINISTRATIVE SERVICES**

N/A

### **TRAINING VENDORS**

To Be Determined

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

8-200

Trainees may receive any of the following:

**CONTINUOUS IMPROVEMENT**

- Change Management
- Critical Thinking
- Coaching Skills
- Problem Solving
- Quality Assurance
- SYGMA Food Safety
- SYGMA Quality Standards
- Team Communication

**COMPUTER SKILLS**

- Cuba Scan
- Computerized Inventory
- Contact Management
- Laptop Techniques
- Mobile Scanners
- Onboard Truck Software
- Smartphone Applications
- SYGMA Desktop Applications
- Tablet Applications
- Wearable Computer Terminals

**BUSINESS SKILLS**

- Category Management
- Customer Service Standards
- Leadership Skills
- Time Management

**COMMERCIAL SKILLS**

- Best Practices
- Computer Controlled Systems
- Electrical System
- Fuel Cells System
- Operating Procedures
- Order Selection Procedures
- Preferred Work Methods

**Productive Lab Hours**

0-60

**COMMERCIAL SKILLS (Ratio 1:3)**

- Balers
- Forklifts
- Electric Pallet Jacks
- Order Selection Procedures

- Preferred Work Methods
- Product Handling
- Scissor Lifts
- Scrubbers
- Tractor
- Trailers
- SYGMA Labeling Systems
- Sweeper
- Wearable Computer Terminals

**CBT Hours**

0 – 14

**BUSINESS SKILLS**

- Customer Service Training For Drivers (.25)
- Customer Service in the Field (1)
- Customer Service Processes and Procedures (3)
- Customer Service Confrontation and Conflict (1)
- Customer Service Over the Phone (1)
- Customer Interactions (3.5)
- Customer Service Fundamentals: Building Rapport in Customer Relationships (1)
- Quality Customer Service (.75)
- Internal Customer Service (1)

**CONTINUOUS IMPROVEMENT**

- Business Coaching: Build the Coaching Relationship (1)

Note: Reimbursement for retraining is capped at 200 total training hours per trainee, regardless of the method of delivery. CBT is capped at 50% of total training hours. PL is capped at 60 hours per-trainee.



# Teamsters Local Union No. 848

Chartered in 1937

**ERIC TATE**  
SECRETARY-TREASURER

March 24, 2016

Employment Training Panel  
1100 "J" Street  
4<sup>th</sup> Floor  
Sacramento, CA 95814

**Re: Sygma Network, Inc.**  
**Lancaster, CA**

Teamsters Local 848 supports the proposed Sygma Network, Inc., Employment Training Panel Project.

Sincerely,

A handwritten signature in blue ink that reads "Tom Tullius".

Tom Tullius  
Coordinator  
Business Representative  
Teamsters Local 848

*Our Members Are Our Strength . . . Our Children Are Our Future . . . Our Retirees Are Our Foundation*



# TEAMSTERS AUTOMOTIVE, INDUSTRIAL AND ALLIED WORKERS LOCAL UNION No. 495

R.M. "BOB" LENNOX  
*Secretary-Treasurer*

GEORGE PARK  
*President*

April 11, 2016

Employment Training Panel  
1100 J Street  
Sacramento, CA 95814

**RE: THE SYGMA NETWORK, INC. EMPLOYMENT TRAINING PANEL PROJECT**

The Teamsters Union Local No. 495 supports the proposed Sygma Network, Inc Employment Training Panel (ETP) project.

Sincerely,

**TEAMSTERS AUTOMOTIVE, INDUSTRIAL, THEME PARK  
SERVICE SECTOR AND ALLIED WORKERS LOCAL NO. 495**

A handwritten signature in black ink that reads "George A. Park".

George A. Park  
President

GAP: jg



Food, Industrial and Beverage Warehouse, Drivers  
and Clerical Employees Union - Los Angeles and Vicinity

(213) 627-2178  
Fax (213) 627-0846

## Teamsters Local Union No. 630

750 S. Stanford Avenue / Los Angeles, California 90021-1416

**LOU VILLALVAZO**  
SECRETARY-TREASURER

**FRANK AFOA**  
PRESIDENT

April 8, 2016

### Employment Training Panel

1100 J Street  
4th floor  
Sacramento, Ca. 95814

**Re: Sygma Network Lancaster, Inc Employment Training Panel Project**

To whom it may concern,

Teamsters Local Union 630 support the proposed Sysco Los Angeles, Inc Employment Training Panel (ETP) project..

Sincerely,

*Lou Villalvazo*

**Secretary Treasures**  
**Teamster Local 630**