



RETRAINEE - JOB CREATION

Training Proposal for:

SYSCO San Francisco, Inc.

Agreement Number: ET17-0251

Panel Meeting of: October 28, 2016

ETP Regional Office: San Francisco Bay Area

Analyst: L. Lai

PROJECT PROFILE

Contract Attributes:	Retrainee SET Job Creation Initiative	Industry Sector(s):	Wholesale Trade Services Priority Industry: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Counties Served:	Alameda	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: 625	U.S.: 625	Worldwide: 51,700
Turnover Rate:	7%		
Managers/Supervisors: (% of total trainees)	N/A		

FUNDING DETAIL

<table border="1" style="width: 100%; border-collapse: collapse;"> <tr><td style="text-align: center;">Program Costs</td></tr> <tr><td style="text-align: center;">\$415,080</td></tr> </table>	Program Costs	\$415,080	-	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="text-align: center;">(Substantial Contribution)</td> <td style="text-align: center;">(High Earner Reduction)</td> </tr> <tr> <td style="text-align: center;">\$0</td> <td style="text-align: center;">\$0</td> </tr> </table>	(Substantial Contribution)	(High Earner Reduction)	\$0	\$0	=	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr><td style="text-align: center;">Total ETP Funding</td></tr> <tr><td style="text-align: center;">\$415,080</td></tr> </table>	Total ETP Funding	\$415,080
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In-Kind Contribution:	100% of Total ETP Funding Required	\$515,400
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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 SET	Business Skills, Computer Skills, Cont. Improv.	418	8-200	0	\$960	\$28.37
				Weighted Avg: 64			
2	Retrainee SET Job Creation Initiative	Business Skills, Computer Skills, Cont. Improv.	10	8-200	0	\$1,380	*\$14.19
				Weighted Avg: 69			

Minimum Wage by County: Job #1 - \$28.37 per hour SET Statewide Average Hourly Wage; Job #2 (Job Creation) - \$14.19 per hour for Alameda 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 \$5.25 per hour may be used to meet the Post-Retention Wage in Job Number 1 and up to \$0.67 for Job Number 2.

**Commission Income: Additionally, some Job Number 1 Sales/Marketing Staff may also use commission of up to \$4.75 per hour to meet the Post-Retention Wage

*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 (Final Payment) regardless of the wage expressed in this table. The highest minimum wage rate will prevail.

**The Company is not in Retail Trade. As such, occupations paid by commission (Job Number 1 only) do not fall under the Panel's "lowest priority" for FY 2016/17.

Wage Range by Occupation		
Occupational Titles	Wage Range	Estimated # of Trainees
Job Number 1 – Retrainees		
Administrative Staff		50
Customer Service Staff		35
Lead		45
Marketing Associate		178
Support Staff		55
Technical Staff		55
Job Number 2 – Job Creation		
Administrative Staff		1
Customer Service Staff		2
Lead		1

Marketing Associate		3
Support Staff		2
Technical Staff		1

INTRODUCTION

Founded in 1939, SYSCO San Francisco, Inc. (SYSCO SF) (www.SYSCO.com) is a wholly-owned corporation of SYSCO Corporation, located in Houston, Texas. SYSCO Corporation owns several facilities in California, but this Proposal is for training at the SYSCO SF facility located in Fremont.

SYSCO SF warehouses, distributes, and delivers food products, beverages, equipment, and supplies in the San Francisco and adjacent areas. SYSCO SF's Marketing Associates customize food offerings and services to any size restaurant, school, government facility, or organization that needs to serve food. SYSCO SF's software systems provide customers with information to make decisions on products served, costs, and nutritional values. The customers' order requirements are customized to meet customers' needs.

Sysco is eligible for ETP funding under SET provisions for front line workers.

OTHER SYSCO PROPOSALS

This proposal is for SYSCO SF, a wholly owned subsidiary of SYSCO Corporation. In FY 2016/2017, the Panel has approved other SYSCO wholly-owned and operated subsidiaries. SYSCO Central California was approved at the July Panel Meeting. SYSCO Sacramento and SYSCO Ventura were approved at the August Panel Meeting. SYSCO San Diego was approved at the September Panel meeting.

15% REDUCTION

Per the Panel's direction at its August 24, 2016 Panel Meeting, a 15% reduction for all SYSCO projects has been applied across all occupations/Job Numbers. The original requested amount (\$488,500) was reduced accordingly.

Substantial Contribution

There is no Substantial Contribution requirement for this project.

PROJECT DETAILS

This will be the second ETP Agreement between ETP and SYSCO SF. The prior ETP Agreement focused on the "Project 212", a business transformation project which moved various business functions to the Cloud.

SYSCO SF is now positioned to expand its use of the Internet by implementing new software applications, specifically, SYSCO Market Express and SYSCO Mobile. These applications will allow customers to place an order, track its status, make changes, and find out exactly when the shipment will arrive. A new fleet management system will be employed to track delivery trucks, products, optimize routes and delivery activities. Additionally, the Company plans to expand into the Hispanic and Asian markets. These changes will impact the entire organization. Training is required as the new systems and business expansions are integrated.

Training Plan

In-house trainers will deliver Class/Lab training. External training vendors may be used if the need arises. While some trainees in this proposal received training in the previous ETP project, these trainees will not receive duplicate training.

Business Skills (50%): This training will be offered to Administrative Staff, Customer Service Staff, Leads, Marketing Associated, Support Staff, and Technical Staff. Trainees will learn to use the new Telogis Fleet Management System, to sell to the Hispanic and Asian marketplaces, Marketing Performance, Social Marketing, and Train-the-Trainer.

Computer Skills (30%): This training will be offered to all occupations. Trainees will be trained on SYSCO Market Express, SYSCO Market Mobile, and how to train customers on the new technology. Trainees in all departments will use different components of the system as it relates to their job functions.

Continuous Improvement (20%): This training will be offered to all occupations. Trainees will learn quality concept techniques and how to apply them to produce quality products, strengthen workflow processes, and increase efficiency in the workplace. Training will reduce waste, streamline processes, improve quality, and lower costs.

Retrainee - Job Creation

SYSCO SF is expanding business capacity as it expands into Hispanic and Asian markets, implementing a new fleet management system, and implementing SYSCO Market Express and SYSCO Mobile. SYSCO SF will add new employees into existing job functions. The Company has committed to hiring 10 new employees (Job Number 2). The date-of-hire for 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. The Company has existing facilities to house the new employees.

Commitment to Training

The Company spends approximately \$325,000 per year on training in topics such as new-hire orientation, OSHA-mandated training, sexual harassment prevention, first aid, and on-the-job training. In the past, SYSCO SF has also provided process improvement, desktop applications, service cloud computing, pricing, lead generation, and internet marketing. 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.

➤ Training Infrastructure

The Director of Training and Development will oversee the training program and work with the management team to identify training needs, coordinate the training schedule, schedule training, and monitor training resources and progress. An administrative coordinator will collect the training rosters and submit them to the Administrative Subcontractor.

Special Employment Training

Under SET, the participating employer is not required to demonstrate out-of-state competition. To qualify under SET, trainees must be earning at least the statewide average hourly wage at the end of the retention period.

Temporary to Permanent Hiring

SYSCO SF intends to train 10 workers in Job Number 2 under Panel guidelines for the Temporary-to-Permanent program. The Company will retain these employees on a temporary basis, with the intention of hiring them into full-time, permanent positions after training. According to SYSCO SF, the average time for “converting” temporary workers into full-time permanent employment is six months. It is expected that these workers will receive employer-paid share-of-cost for healthcare premiums while on temporary status, and upon hire into full-time permanent employment.

Under Panel guidelines for the Temporary to Permanent program, these trainees must be eligible to participate in ETP-funded training pursuant to Unemployment Insurance Code. Moreover, these trainees cannot be enrolled until after they have been hired by SYSCO SF into full-time, permanent employment. Until they are so hired, retention and post-retention wage requirements cannot be satisfied and the Company will not receive progress payments.

Commissions

Commissions of up to \$4.75 per hour may be added to Marketing Associates' base wage (Job Number 1) to meet the SET Average Hourly Wage of \$28.37 per hour. Marketing Associates sell products and services in the wholesale marketplace.

SYSCO SF wholesale trade industry sector is different from Retail Trade. As such, occupations paid by commission qualify for ETP funding as they do not fall under the Panel's “lowest priority” for FY 2016/17.

RECOMMENDATION

Staff recommends approval of this proposal.

PRIOR PROJECTS

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

Agreement No.	Location (City)	Term	Approved Amount	Payment Earned	
				\$	%
ET15-0253	Fremont	08/04/14 – 08/03/16	\$264,000	\$248,223	(94%)

DEVELOPMENT SERVICES

SYSCO SF retained National Training Company, Inc. (NTC) in Irvine to assist with development of this proposal for a flat fee of \$5,000.

ADMINISTRATIVE SERVICES

NTC will also perform administrative services in connection with this proposal for an amount 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:

BUSINESS SKILLS

- Advanced Operating Procedures
- Business Value
- Category Management
- Delivery Tracking
- Hispanic and Asian Products
- Improving Customer Service
- Marketing Performance
- Marketing Performance Processes
- Marketing Presentations
- Menu Analysis
- Multi-Channel Marketing
- Pricing for Profitability
- Product Knowledge
- Product Traceability
- Revenue Management
- Social Marketing
- Train-the-Trainer

COMPUTER SKILLS

- Computerized Inventory
- Contact Management
- Customer Relationship Management
- Dashboard Portals
- Enterprise Resource Management System
- External Web Based Applications
- Fleet Management Systems
- Laptop Techniques
- Sysco Account Manager
- Sysco Market Express (Desktop)
- Sysco Market Mobile (Phone/Tablet)
- Sysco Portal
- Telogis Fleet Management

CONTINUOUS IMPROVEMENT

- Improving Operating Procedures
- Procurement Efficiency
- Quality Assurance
- Sysco Food Safety
- Sysco Quality Standards
- Team Communication

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