



Retrainee – Job Creation
Training Proposal for:
Santa Monica Seafood Company
Agreement Number: ET17-0148

Panel Meeting of: July 22, 2016

ETP Regional Office: North Hollywood

Analyst: M. Webb

PROJECT PROFILE

Contract Attributes:	Retrainee Priority Rate Job Creation Initiative Veterans	Industry Sector(s):	Manufacturing Priority Industry: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Counties Served:	Los Angeles, San Diego, San Luis Obispo	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: 605	U.S.: 653	Worldwide: 653
<u>Turnover Rate:</u>	11%		
<u>Managers/Supervisors:</u> (% of total trainees)	8%		

FUNDING DETAIL

Program Costs	-	(Substantial Contribution)	(High Earner Reduction)	=	Total ETP Funding
\$173,600		\$0	\$0		\$173,600

In-Kind Contribution:	100% of Total ETP Funding Required	\$284,316
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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 Improvement, Hazardous Materials, Mfg. Skills, PL-Mfg. Skills	200	8-200	0	\$540	\$15.60
				Weighted Avg: 30			
2	Retrainee Job Creation Initiative	Business Skills, Computer Skills, Continuous Improvement, Hazardous Materials, Mfg. Skills, PL-Mfg. Skills	60	8-200	0	\$800	*\$12.77
				Weighted Avg: 40			
3	Retrainee Veterans	Business Skills, Computer Skills, Continuous Improvement, Hazardous Materials, Mfg. Skills, PL-Mfg. Skills	20	8-200	0	\$880	*\$12.77
				Weighted Avg: 40			

*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.

Minimum Wage by County: Job Number 1: \$16.48 per hour for Los Angeles County; \$16.46 in San Diego County, and \$15.60 per hour in San Luis Obispo County.

Job Number 2 (Job Creation): \$13.73 per hour for Los Angeles County; \$13.72 per hour in San Diego County; and \$12.77 per hour in San Luis Obispo County.

Job Number 3 (Veterans): \$13.73 per hour for Los Angeles County; \$13.72 per hour in San Diego County; and \$12.77 per hour in San Luis Obispo 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 \$2.19 per hour may be used to meet the Post-Retention Wage.

Wage Range by Occupation		
Occupation Titles	Wage Range	Estimated # of Trainees
JOB NUMBER 1		
Corporate Support Staff		32
Customer Service Staff		9
Manufacturing/Processing Staff		55
Marketing/Sales Staff		26
Managers		18
Warehouse/Logistics/Distribution Staff		60
JOB NUMBER 2-Job Creation		
Corporate Support Staff		5
Customer Service Staff		5
Manufacturing/Processing Staff		45
Marketing/Sales Staff		2
Managers		2
Warehouse/Logistics/Distribution Staff		1
JOB NUMBER 3-Veterans		
Corporate Support Staff		2
Customer Service Staff		3
Manufacturing/Processing Staff		5
Marketing/Sales Staff		3
Managers		3
Warehouse/Logistics/Distribution Staff		4

INTRODUCTION

Founded in 1939, Santa Monica Seafood Company (SMSC) (www.smseafood.com) sources, processes, and distributes fresh, frozen, wild, and farmed seafood products. Products include shellfish, fish, oysters, and other seafood products. These products are sold online and to restaurants and retail customers in California, Nevada, and Arizona. SMSC also operates its own retail stores and cafes located in the cities of Santa Monica and Costa Mesa. A total of four SMSC locations will participate in training under this Agreement (Rancho Dominguez, Los Angeles, Atascadero, and San Diego). This will be SMSC's first ETP Agreement.

PROJECT DETAILS

In the last five years, SMSC has expanded its services to grocery store chains and other retailers such as Walmart. As a result, the Company has experienced a substantial increase in revenue sales from \$45 million to \$400 million. To handle higher production levels, the Company has expanded its Rancho Dominguez facility to increase product output by 100 percent by the third quarter of 2016. To manage growth, SMSC will hire a total of 100 new employees. Training plans over the next two years will focus on new skill sets, customer service,

up-to-date computer software programs, process improvement, and safe seafood handling techniques. Training will be delivered by in-house trainers at SMSC locations.

SMSC continually looks for new customers in various markets; one particular market includes the sushi market which will require staff to learn new seafood handling techniques. Trainees will learn culinary and sanitary skills to identify important attributes regarding the quality and freshness of seafood that will be consumed raw. Training in operating procedures, food safety management, packaging, and new markets will increase employee skill sets and improve SMSC's ability to sell to new markets.

New computer upgrades and systems have been purchased to increase product offerings, efficiencies, and product output. New systems include a Human Capital Management System and Enterprise Resources Planning System. Training in Computer Skills will enable staff to better manage and access employee data, talent management processes, product planning, manufacturing, marketing, and sales cost. New computer programs being implemented will also allow staff to focus on business operations and be more efficient in decision making.

The Company has also invested in new packaging technologies to extend product shelf life and improve ability to merchandise products in various formats. Two new packaging technologies include Modified Atmospheric Packaging (MAP) and Bubble Skin Packaging (BSP). The MAP technology substitutes the atmospheric air inside a package with protective gas to ensure the product stays fresh for extended periods of time. Trainees will learn how to operate new equipment and processes to package SMSC seafood products.

Training Plan

Business Skills (10%): Training will be offered to all occupations to improve job performance and increase efficiency. Staff will receive training in customer service, marketing, and communication skills.

Hazardous Materials (5%): Training will be offered to Manufacturing/Processing Staff, Warehouse/Distribution Staff, and Logistics Staff. Courses will ensure staff handles seafood products in the safest manner possible. This training is a series of courses, specific to industry sectors involved in the transport of hazardous materials. The coursework varies in length depending on the industry and the occupational title, as organized in five levels ranging from "first responder" to "incident commander." It is generally a minimum of 24 hours with an 8-hour annual refresher, and may be delivered by classroom or CBT.

Computer Skills (10%): Training will be offered to all occupations and will be based specifically on the computer systems the trainees utilize in their daily job functions.

Manufacturing Skills (45%): Training will be offered to Manufacturing/Processing Staff, Warehouse/Distribution Staff, and Logistics Staff. Trainees will learn new skill sets to operate and repair specialized equipment used in the production process.

Continuous Improvement (25%): Training will be offered to all occupations to improve company efficiencies and productivity. New processes will be implemented throughout the business to handle increased productivity levels and overall growth. Course titles include Change Management Skills, Conflict Management/Resolution, Process Improvement, and Quality Assurance.

Productive Laboratory (5%):

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 the training in the courses identified under the Curriculum. The instructor must be dedicated to training delivery during all hours of training.

Productive Lab (PL) training will be delivered to approximately 150 Manufacturing/Processing, Warehouse/Logistics/Distribution Staff and Supervisors/Managers. PL training will provide workers with hands-on experience and the knowledge needed to run equipment and efficiently perform their jobs. Trainees will learn to operate food processing equipment (Multivac), weighing and labeling (Bizerba), portioning equipment, and ozonated water systems. Training will be provided at a 1:1 trainer-to-trainee ratio. Trainees will receive up to 40 hours of PL training.

Under direct supervision of an experienced instructor, the trainee will be assigned a task specific to the processing equipment on which they are being trained (packaging, labeling, or portioning SMSC products). The trainer will observe the trainee complete the task while critiquing and correcting tasks performed during the process. The trainer will determine if the trainee exhibits the skill sets needed to operate equipment independently.

Retrainee - Job Creation

In support of job creation, the Panel offers incentives to companies that commit to hiring new employees. Under the Retrainee-Job Creation program, training for newly-hired employees will be reimbursed at a higher rate, and trainees will be subject to a lower post-retention wage.

SMSC has committed to hiring 60 new net employees (Job Number 2). The Company is in final stages of major construction that will double the size of its facility in Rancho Dominguez. This will allow SMSC to increase its product output by 100 percent. As a result, newly hired trainees will be required to learn mandatory safe food handling techniques. Training will also include operation of equipment and computer software.

The date-of-hire for all trainees in the Job Creation program 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.

Commitment to Training

SMSC spends approximately \$360,000 annually in training for all four locations. Training includes new hire orientation, anti-harassment training, and basic OSHA safety training. SMSC delivers instructor led, computer-based and on-the-job training.

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

SMSC has identified two employees who will be responsible for managing and scheduling SMSC training, enrollment, tracking training hours, and documenting ETP funded training. Human Resource Coordinators located at each SMSC facilities will also work with staff to ensure all training records are returned to SMSC headquarters for record keeping purposes.

The Company also hired a third party administrator, Training Funding Partners, to provide administrative services.

Green/Clean Operations

SMSC is committed to moving towards new environmental friendly options in distribution. The Company was the first and only seafood distributor to enter into a formal partnership with the Monterey Bay Aquarium Seafood Watch Program and receive ISO 14001 certification. To increase supplier commitment to food safety, supply integrity, and sustainable pricing, the Company also created the Responsible Sourcing Vendor Program which applies a percentage of its annual purchases towards the financial support of fishery, food safety, and education programs globally.

Veterans Program

A total of 20 Veterans will be trained by SMSC under this Agreement (Job Number 3). The Panel has established a higher reimbursement rate and other incentives for training California veterans. These trainees served on active full-time duty in the Armed Forces, including the California National Guard, and were (a) honorably discharged, or (b) released from active duty because of a service-connected disability.

RECOMMENDATION

Staff recommends approval of this proposal.

DEVELOPMENT SERVICES

SMSC retained Training Funding Partners in Fountain Valley to assist with development of this proposal for a flat fee of \$9,500.

ADMINISTRATIVE SERVICES

Training Funding Partners will also perform administrative services in connection with this proposal for a fee not to exceed 13% of payment earned.

TRAINING VENDORS

N/A

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

8-200

Trainees may receive any of the following:

BUSINESS SKILLS

- Business Acumen
- Communication Skills
- Customer Service/Support Skills
- Finance/Accounting Skills
- New Markets
- Meeting Management Skills
- Presentation Skills
- Sales/Marketing Skills
- Time Management Skills

COMPUTER SKILLS

- Human Performance Management System
- Ceridian DayForce Human Resource Information System (HRIS) Skills
- Quality Control System Skills
- AFS Canopy New Enterprise Resource Planning System
- Cognos Business Intelligence System
- Intermediate/Advanced Microsoft Office

CONTINUOUS IMPROVEMENT

- Change Management Skills
- Coaching/Feedback
- Conflict Management/Resolution
- Decision Making Skills
- Delegation/Influence Skills
- Goal Setting/Innovation Skills
- ISO Skills
- Leadership Skills
- Problem Solving
- Process/Performance Improvement Skills
- Project Management Skills
- Quality Assurance/Quality Control
- Six Sigma Skills
- Team Building/Managing Teams

HAZARDOUS MATERIALS

- Blood borne Pathogens
- Chemicals
- Hazard Communication
- Hazardous Material Handling
- Spill Response
- Business Emergency Preparedness Planning

MANUFACTURING SKILLS

- Change Order Process Skills
- Data Collection/Documentation Skills

- Failure Mode Effects Analysis
- Food Safety Management
- Good Documentation Practices
- Good Manufacturing Practices
- New/Updated Manufacturing Processes/Systems/Products
- Packaging Skills
 - Modified Atmospheric Packaging Skills
 - Bubble Skin Packaging
- Standard Operating Procedures
- Troubleshooting/Root Cause Analysis
- Warehouse/Logistics Skills
- Advanced Safety Skills –
 - Electrical Safety
 - Heat Stress Prevention
 - Machine Guarding and Machine Safety
 - Powered Industrial Vehicle Safety

Safety Training cannot exceed 10% of total training hour's per-trainee
(This cap does not apply to Hazmat, OSHA 10/30 or HAZWOPER)

Productive Lab Hours (1:1)

0-40

MANUFACTURING SKILLS

- Change Order Process Skills
- Data Collection/Documentation Skills
- Failure Mode Effects Analysis
- Food Safety Management
- Good Documentation Practices
- Good Manufacturing Practices
- New/Updated Manufacturing Processes/Systems/Products
- Packaging Skills
 - Modified Atmospheric Packaging Skills
 - Bubble Skin Packaging
- Standard Operating Procedures
- Troubleshooting/Root Cause Analysis
- Warehouse/Logistics Skills

<p>Note: Reimbursement for retraining is capped at 200 total training hours per trainee, regardless of the method of delivery. PL is capped at 40 hours per-trainee.</p>
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