



RETRAINEE - JOB CREATION

Training Proposal for:

Shlemmer+Algaze+Associates Interiors & Architecture, Inc.

Agreement Number: ET16-0249

Panel Meeting of: October 30, 2015

ETP Regional Office: North Hollywood

Analyst: M. Reeves

PROJECT PROFILE

Contract Attributes:	Retrainee Job Creation Initiative Priority Rate	Industry Sector(s):	Services Construction Priority Industry: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Counties Served:	Los Angeles, Orange, San Francisco	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: 125	U.S.: 134	Worldwide: 134
<u>Turnover Rate:</u>	7%		
<u>Managers/Supervisors:</u> (% of total trainees)	6%		

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;">\$90,800</td></tr> </table>	Program Costs	\$90,800	-	<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;">\$90,800</td></tr> </table>	Total ETP Funding	\$90,800
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In-Kind Contribution:	100% of Total ETP Funding Required	\$157,386
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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, Commercial Skills, Computer Skills, Continuous Impr	115	8-200	0	\$720	\$15.97
				Weighted Avg: 40			
2	Retrainee Job Creation Initiative Priority Rate	Business Skills, Commercial Skills, Computer Skills, Continuous Impr	10	8-200	0	\$800	\$14.00
				Weighted Avg: 40			

Minimum Wage by County: Job Number 1: \$16.44 per hour for San Francisco County; \$16.02 per hour for Orange County; and \$15.97 per hour for Los Angeles County.

Job Number 2 (Job Creation): \$13.70 per hour for San Francisco County; \$13.35 per hour for Orange County; and \$13.31 per hour for 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 \$2.44 per hour (Job Number 1) may be used to meet the Post-Retention Wage.

Wage Range by Occupation		
Occupation Titles	Wage Range	Estimated # of Trainees
Job Number 1		
Architect		26
Job Captain		41
Designer		19
Administrative Staff I		15
Administrative Staff II		7
Supervisor/Manager 1		5
Supervisor/Manager 2		2
Job Number 2 (Job Creation)		
Architect		2
Job Captain		2
Designer		4
Administrative Staff		2

INTRODUCTION

Founded in 2000, Shlemmer+Algaze+Associates Interiors & Architecture, Inc. (SAA) provides consulting, architectural/interior design, space planning, construction documents, and tenant improvement construction services. SAA (www.saaia.com) has California locations in Culver City, Los Angeles, Irvine, and San Francisco. All locations will participate in this project.

PROJECT DETAILS

This will be SAA's fourth ETP Agreement within the past five years. The Company's first ETP Agreement (ET10-0143) focused on improving SAA's principal interior design services. The second ETP Agreement (ET12-0270) helped the Company achieve its goal to diversify into areas of more traditional architecture projects such as Core and Shell, Ground Up, and Tilt-up construction. The last Agreement (ET14-0120) helped the Company lay the foundation for its expansion initiatives and improve its ability to respond to growing challenges and opportunities in the commercial real estate market. This proposal is designed to help the Company solidify its reach into the San Francisco Bay area and increase revenue growth. Some curriculum topics are repeated from prior agreements; however, the course material has been updated and/or changed to ensure there will be no duplication of training.

SAA is facing increasing competition from national firms and a rise in competitors' usage of technology. Businesses with the ability to provide state-of-the-art products to clients have a distinct competitive advantage. Consequently, SAA will be investing heavily in business software solutions, namely Vision Customer Relationship Management (CRM) and Newforma Paperless Office/Document software. These are integrated environment technologies that are designed to increase business efficiency and improve the quality of interaction between employees and customers/suppliers by allowing full access to project information from initial contact to completion. The Company must provide employees comprehensive training on the use of these innovative business tools.

SAA must also improve its services. The Company must follow energy efficiency standards and water conservation measures. This includes the use of low flow faucets and drought resistant plants. In addition, Senate Bill 1608 has added several provisions to existing laws regarding construction-related disability access, especially the Certified Access Specialist Program. Company employees must become familiar with the Certified Access Specialist Program to ensure that SAA and its clients adhere to construction-related accessibility standards.

Retrainee - Job Creation

The Panel offers incentives to companies that commit to hiring new employees. Under the Training for newly-hired employees will be reimbursed at a higher rate, and trainees will be subject to a lower post-retention wage.

SAA has committed to hiring a total of 10 new employees (Job Number 2). In August 2015, SSA opened a new office in San Francisco (August 2015) and has already begun actively recruiting new employees for this location. In addition, the Company continues to expand its business capacity by adding new workers and improving existing functions at its established locations. The proposed training will familiarize new employees with all aspects of design development and production, as well as key business attributes such as customer relations, presentation, and negotiation skills.

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.

Training Plan

Training will allow SAA to upgrade the skills of its existing workforce, integrate new employees, introduce new industry technology, and implement process improvements designed to enhance productivity and overall efficiency. Training will be delivered by a combination of in-house subject matter experts and skilled training vendors.

Business Skills (25%) – Training will be offered to all occupations. These modules are designed to help employees improve their interpersonal communication, sales, customer relations, and project management skills.

Commercial Skills (40%) – Training will be offered to Architects, Job Captains, and Designers. This training will cover architectural standards and building/construction practices. Areas of emphasis will include Workplace Design and Green Building techniques. This training will equip workers with the knowledge and skills to assist clients with cost-saving design decisions that are friendly to the environment.

Computer Skills (25%) – Training will be offered to all occupations. Training will facilitate the Company’s implementation of new customer relations and project management tools (Vision CRM and Newforma). In addition, this training will help employees stay current on new versions of architectural drafting and design software.

Continuous Improvement (10%) – Training will be offered to all occupations. This training will enhance productivity through frontline leadership, mentoring and team building techniques.

Commitment to Training

ETP funds will not displace the existing financial commitment to training. The Company spends an estimated \$125,000 on training annually in California. Company-funded training has included construction procedures, team management, product knowledge, and 3D drafting and design. Safety training is, and will continue to be, provided in accordance with all pertinent requirements under state and federal law.

➤ Training Infrastructure

An internal project coordinator will oversee class scheduling and training documentation. In addition, the Company has retained a vendor to ensure that all training records adhere to ETP requirements.

RECOMMENDATION

Staff recommends approval of this proposal.

PRIOR PROJECTS

The following table summarizes performances by SAA under ETP Agreements that were completed within the last five years:

Agreement No.	Location (City)	Term	Approved Amount	Payment Earned \$ %
ET14-0120	Culver City, Irvine, Los Angeles	08/26/13 – 08/25/15	\$110,760	\$110,760 (100%)
ET12-0270	Culver City	12/23/11 – 12/22/13	\$49,192	\$49,192 (100%)
ET10-0143	Culver City, Newport Beach, Encino, Pasadena	09/08/09 – 09/07/11	\$73,810	\$73,810 (100%)

DEVELOPMENT SERVICES

Training Funding Source in Seal Beach assisted with development of this proposal for a flat fee of \$2,900.

ADMINISTRATIVE SERVICES

Training Funding Source will also perform administrative services for a fee 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

- ✚ Business Development and Sales
- ✚ Developing Business Relationships
- ✚ Developing Customer Relationships
- ✚ Interpersonal Communication
- ✚ Presentation Skills
- ✚ Project Management
- ✚ Time Management
- ✚ Understanding Financial Information
- ✚ Understanding Business and Industry
- ✚ Upselling and Additional New Services

COMMERCIAL SKILLS

- ✚ Architectural Standards
- ✚ Building and Construction Standards
- ✚ Change Orders
- ✚ Corporate and Workplace Design
- ✚ Engineering Processes and Standards
- ✚ LEED and Green Building Practices
- ✚ Project Reports

COMPUTER SKILLS

- ✚ 2D Drafting Standards (new releases)
- ✚ Adobe (new releases)
- ✚ Building Industry Materials (new versions)
- ✚ Computer Aided Design (new versions)
- ✚ Customer Relationship Management (CRM)
- ✚ Navigating Vision
- ✚ Newforma
- ✚ REVIT

CONTINUOUS IMPROVEMENT

- ✚ Leadership/Mentoring

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