

**DELEGATION ORDER**



**Training Proposal for:  
SigmaTron International, Inc.  
Agreement Number: ET17-0164**

**Approval Date:** August 16, 2016

**ETP Regional Office:** San Francisco Bay Area

**Analyst:** L. Lai

**PROJECT PROFILE**

Contract Attributes:	Priority Rate Retrainee	Industry Sector(s):	Manufacturing  Priority Industry: <input checked="" type="checkbox"/> Yes <input 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: 194	U.S.: 487	Worldwide: 2,728
<u>Turnover Rate:</u>	5%		
<u>Managers/Supervisors:</u> (% of total trainees)	6%		

**FUNDING DETAIL**

Program Costs	-	(Substantial Contribution)	(High Earner Reduction)	=	<b>Total ETP Funding</b>
\$58,860		\$0	\$0		\$58,860

In-Kind Contribution:	100% of Total ETP Funding Required	\$102,571
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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	Computer Skills Con't Improve. Mfg. Skills	109	8 - 200	0	\$540	*\$17.02
				Weighted Avg: 30			

**Minimum Wage by County:** \$17.02 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 \$3.16 per hour may be used to meet the Post-Retention Wage.

**Wage Range by Occupation**

Occupation Titles	Wage Range	Estimated # of Trainees
Administrative Staff (Document Control, Buyers, Quotation)		22
Engineer		7
Production /Assembler		73
Manager/Supervisor		7

\*It will be made a condition of contract that 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 Union City, SigmaTron International, Inc. (SigmaTron) manufactures DC-to-AC inverters, coils, transformers, cable and harness assemblies. The Company also assembles printed circuit boards and provides box build services (integrated printed circuit boards and other manufacturing and assembly technologies with high level sub-assemblies and end products) and testing of assemblies and finished products.

**PROJECT DETAILS**

This will be SigmaTron's second proposal in the last five years. The previous Agreement focused on new regulations of Restriction of use of Hazardous Substances directive and ISO and ITAR certifications. This proposal will focus on expansion (including the acquisition) and new equipment, including some courses for ISO and Institute of Printed Circuits certification to standardize assembly and production processes. Some courses may have been repeated from the previous Agreement. However, only employees who were not involved in the previous Agreement will receive these courses. Training will not be duplicated.

SigmaTron acquired Mentzer Electronics Manufacturing (Mentzer) last year. The acquisition merges the operations, processes, and equipment of both businesses. Training will broaden employee knowledge of both companies' products and services to better meet customer demands.

Additionally, the Company recently invested over \$190,000 in several new pieces of equipment (training was not included in the purchase price): Fuji Flexa, Fuji AIMEX, BTU Pyramax 12N, PTS275-Water Circulation System, 5 Axis and ACE Selective Wave Soldering machine. Training will help employees operate and maintain the equipment.

## Training Plan

The Company plans to provide the following class/lab training at its Union City facility:

**Computer Skills (20%):** Training will be offered to all occupations. Training will provide employees with skills to use various software and data management systems effectively.

**Continuous Improvement (50%):** Training will be offered to all occupations. Training will focus on quality assurance, production processes to obtain ISO and IPC certifications, and quality management principles. Workers from all business units will learn to identify and evaluate processes. A train-the-trainer component will equip Managers/Supervisors with knowledge and skills to become effective trainers.

**Manufacturing Skills (30%):** Training will be offered to all occupations. The training will allow Production Staff and Technicians to gain cross-functional knowledge to properly calibrate, verify, and maintain various instruments and equipment. Administrative Staff (Document Control, Buyers, and Quotation Staff), Engineers, and Manager/Supervisor trainees will receive training to better understand the manufacturing and assembly processes to provide information and data to customers.

## Commitment to Training

SigmaTron spends approximately \$20,000 annually for training at its Union City facility. Training includes company orientation, compliance training and some basic job-specific 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

A Production Manager and an HR Administrator will oversee the training implementation, schedule all training and resources, and handle all ETP administrative responsibilities. Training will be delivered by internal subject-matter experts and vendors when necessary.

## RECOMMENDATION

Staff recommends approval of this proposal.

## PRIOR PROJECTS

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

Agreement No.	Location (City)	Term	Approved Amount	Payment Earned \$ %
ET12-0308	Union City	03/05/2012– 03/04/2014	\$41,472	\$41,472 (100%)

**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:

**COMPUTER SKILLS**

- Agile
- Business Work
- Database Management
- File Management
- IScore
- Macola
- Program Management Software
- Visitor Management
- VPN Remote
- Wallaby

**CONTINUOUS IMPROVEMENT**

- 5S
- Analysis of Data
- Customer Feedback Analysis
- ESD (Electro Static Discharge)
- FOD (Foreign Object Debris)
- IPC-A-610 – Electronic Assemblies Quality Standards
- ISO 13485 – Medical Industry Quality Standards
- ISO 9001– Business Quality Standards
- ISO AS9100 – Aerospace
- Leadership Training
- Process Failure Mode Effective Analysis
- Program Management (Documentation)
- Sig Sigma
- Train-the-Trainer

**MANUFACTURING SKILLS**

- 5DX Laminography
- AOI (Automatic Optical Inspection)
- Cables Assemblies
- Cables/Wires Automatic Equipment
- Chassis Build
- Hazardous Materials Handling and Storage
- IPC J-STD 001 Training
- Machines, Programs, Systems Set-Up
- Non-Conformal Material Report
- New Equipment Use and Maintenance
- Printed Circuit Board Assembly Processes
- Procedure for Validation
- Product Identification and traceability
- Qualification Process Control

- Special Pin Through Hole Assembly Equipment
- System Test
- Systems Integration/Assembly

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