



Training Proposal for:
Snap-On Logistics Company
Agreement Number: ET16-0467

Panel Meeting of: June 24, 2016

ETP Regional Office: North Hollywood

Analyst: M. Webb

PROJECT PROFILE

Contract Attributes:	Retrainee Priority Rate	Industry Sector(s):	Manufacturing 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 type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
Number of Employees in:	CA: 160	U.S.: 4,000	Worldwide: 4,000
<u>Turnover Rate:</u>	4%		
<u>Managers/Supervisors:</u> (% of total trainees)	16%		

FUNDING DETAIL

Program Costs	-	(Substantial Contribution)	(High Earner Reduction)	=	Total ETP Funding
\$149,760		\$0	\$0		\$149,760

In-Kind Contribution:	100% of Total ETP Funding Required	\$184,320
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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, Mfg. Skills, PL-Mfg. Skills, Advanced Technology	130	8-200	0	\$1,152	*\$16.48
				Weighted Avg: 64			

* 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.

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 \$3.48 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		
Assembler		50
Welder		5
Machinist/Operators		15
Engineer		10
Office Associates		30
Managers/Supervisors		20

INTRODUCTION

Snap-On Logistics Company (Snap-On) (www.snapon.com) manufactures quality hand tools, power tools, tool boxes, diagnostic software, calibration equipment, and other tool accessories. Snap-On Logistics Company is a wholly owned subsidiary of Snap-On Inc. Located in The City of Industry, Snap-On serves the aviation and auto industry. Snap-On tools are used for procedures such as drilling, riveting, countersinking, and bucking. The Company is known for its safe, functional, and cost effective tools that meet aviation and auto standards. This will be the second ETP Agreement for the Company. The City of Industry will be the only location participating in training under this Agreement.

At the request of a Panel member, this proposal was removed from the Consent Calendar as noticed for last month's meeting, and held over to this month.

PROJECT DETAILS

Training under the prior Agreement (ET14-0284), focused on equipment operation and technical training to improve the Company's manufacturing processes. To remain competitive, Snap-On continues to purchase new machinery and equipment for the shop floor. Under this proposal, trainees will receive cross-training to ensure Production Staff (Assemblers, Machinists, and Operators) can operate multiple types of machinery. Cross training will increase employee skill set and enable staff with the ability to operate more machines regardless of which operator is on shift. Curriculum topics provided will also cover training related to computer software and technology upgrades that are relevant to the trainee's day-to-day tasks. Training in this area will improve overall job performance and familiarize staff with new changes implemented throughout the plant.

As Snap-On continues to grow, leadership has made training a necessity to ensure they are increasing employee skill sets and expanding the Company's airframe tooling capabilities. As a result, a training plan has been developed that will improve staff knowledge and ability to design and customize tools that allow multilevel capabilities for various tool usages.

Tools manufactured at the City of Industry facility include rivets, sockets, screwdrivers, wrenches, drills, drill adaptors, ratchets, and extensions. Skill sets required to design and manufacture these tools include the proper distribution of mass, measurements, correct grain structure and heat-treating procedures. Manufacturing Skills training will be delivered to teach staff how to operate new precision CNC and press machinery to complete work orders and manufacture Snap-On products (size, type, tool number, etc.).

Snap-On is the primary manufacturer of Torque tools, testers, and calibration equipment. All products made must meet The American Society of Mechanical Engineers and International Organization for Standardization standards; as a result, training provided will ensure staff is following proper procedures and in compliance with standard requirements. Engineers will also receive training to develop new electronic and mechanical tools that are up-to-date with technology (digital systems). Advanced tools produced include dial indicating torque wrenches, adaptors, and limiting screwdrivers.

Training Plan

Business (6%): Training will be offered to all occupations to improve presentation and communication skills. Training will increase efficiency and improve staff's ability to complete job tasks.

Computer Skills (14%): Training will be offered to all occupations to ensure staff is up-to-date with the latest computer programs utilized by the Company. Course topics to be delivered include Microsoft Excel and Word.

Manufacturing Skills (40%): Training will be offered to Assemblers, Welders, Machinist, and Engineers. Trainees will participate in courses such as Equipment Operation, and Quality training to improve daily operation and learn how to run machinery properly.

Continuous Improvement (25%): Training will be offered to all occupations to reduce the number of errors experienced in the workplace. Training in Lean Manufacturing and Quality Control/Management will be provided to improve facility operation.

Productive Laboratory (10%):

The Panel authorizes reimbursement for training delivered in a Productive Laboratory (PL) setting. 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, and special attendance rosters will be used to assist in monitoring.

Snap-On has identified 20 staff workers that will require PL training on new CNC and laser machinery purchased for the company's shop floor. Occupations to receive training include Assemblers and Machinists/Operators. PL training will be delivered at a ratio of 1:1. Trainees may receive up to 40 hours of training. Once staff has participated in lecture based training led by qualified instructors (in-house), workers will be assigned to complete tasks while operating machinery. Instructors will guide workers through the process and provide critiques to ensure staff is able to run equipment independently. Projects assigned will be fully data driven with set targets for trainees to meet. Completion of the assigned project will determine the staff worker is competent and capable of operating equipment proficiently.

Advanced Technology (5%):

Advanced Technology (AT) courses require higher rates and annual maintenance contracts for hardware and machinery required to run equipment. Training in AT courses such as Solidworks and CAD will increase staff technological capabilities and improve employee skill sets. Engineers are the only occupation scheduled to receive AT training under this project. Staff will learn to up-to-date technologies in 3-D modeling software and equipment to design and manufacture new Snap-On tools.

The trainer-to-trainee ratio is 1:10 for AT, to allow in-depth coverage and personal attention from the instructor.

Commitment to Training

Snap-On spends approximately \$100,000 annually in training at the Industry location. Training delivered in the past includes on-the-job training, Manufacturing Skills, safety, and Continuous Improvement training. Training is both job specific and companywide.

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

This project will be administered by the Company's Human Resources (HR) Department and Managers/Supervisors. Staff will carry the responsibilities of scheduling training, completing and collecting approved ETP rosters, tracking training hours, enrollment, and meeting with ETP staff. As a repeat contractor, staff members in the HR Department are familiar with ETP administration duties and regulations to ensure compliance with ETP requirements.

RECOMMENDATION

Staff recommends approval of this proposal.

PRIOR PROJECTS

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

Agreement No.	Location (City)	Term	Approved Amount	Payment Earned \$ %
ET14-0284	Industry	02/01/14- 01/31/16	\$184,320	\$161,482 (87%)

DEVELOPMENT SERVICES

N/A

ADMINISTRATIVE SERVICES

N/A

TRAINING VENDORS

N/A

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

8-200

Trainees may receive any of the following:

BUSINESS SKILLS

- Business 101 (Performance, Planning, Writing, Management)
- Customer Service Skills
- Presentation Skills
- Product Knowledge

COMPUTER SKILLS

- Microsoft Office

CONTINUOUS IMPROVEMENT

- Communication Skills
- Decision Making
- Leadership Skills
- 6S
- Six Sigma
- Team Building
- Quality Control/Management

MANUFACTURING SKILLS

- Blueprint Reading
- CNC Programming
- Geometric Dimensioning & Tolerancing (GD & T)
- Equipment Operation
 - CNC Machine Operation
 - Laser Machine
 - Press Machine
- Lean Manufacturing
- Parts
- Products
- Safety*
- Shop Math
- Welding

Safety Training cannot exceed 10% of total training hours per-trainee

ADVANCED TECHNOLOGY

- CAD/CAM
- Solid Works

Productive Lab Hours (1:1)

0-40

MANUFACTURING SKILLS

- Equipment Operation
- Welding
- CNC Machinery
- Laser Machine
- Press Machine

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.