

DELEGATION ORDER



**Training Proposal for:
Southwest Material Handling, Inc.
Agreement Number: ET16-0308**

Approval Date: December 18, 2015

ETP Regional Office: San Diego

Analyst: S. Godin

PROJECT PROFILE

Contract Attributes:	Retrainee HUA	Industry Sector(s):	Services Wholesale Trade Priority Industry: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Counties Served:	Riverside, Orange	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: 109	U.S.: 120	Worldwide: 120
<u>Turnover Rate:</u>	2%		
<u>Managers/Supervisors:</u> (% of total trainees)	3%		

FUNDING DETAIL

Program Costs	-	(Substantial Contribution)	(High Earner Reduction)	=	Total ETP Funding
\$72,000		\$0	\$0		\$72,000

In-Kind Contribution:	100% of Total ETP Funding Required	\$80,000
-----------------------	------------------------------------	----------

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	Business Skills, Commercial Skills, Computer Skills, Continuous Impr, OSHA 10/30	100	8-200	0-27	\$720	\$15.07*
				Weighted Avg: 48			

*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 regardless of the wage expressed in this table. The highest minimum wage will prevail.

Minimum Wage by County: Riverside County: \$15.07/hour; Orange County: \$16.02/hour
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 \$2.80 per hour may be used to meet the Post-Retention Wage.

Wage Range by Occupation		
Occupation Titles	Wage Range	Estimated # of Trainees
Shop Technicians		18
Road Service Technicians		25
Parts Personnel		11
Administrative Support Staff		21
Sales Representatives		19
Senior Sales Representatives		3
Managers		3

INTRODUCTION

Founded in 1989, Southwest Material Handling, Inc. (SWMH) (www.swmhinc.com) sells, rents, and services industrial equipment and offers new and re-manufactured parts for six major product lines: Toyota forklifts; Aichi and JLG aerial lifts; Columbia Par Car utility vehicles; Tico yard tractors; Karcher warehouse sweepers and scrubbers; and Flexi-G4 specialty forklifts. Additionally, SWMH offers design, installation, and integration solutions for material handling challenges.

SWMH is headquartered in Mira Loma and has additional facilities in Anaheim and Thousand Palms. All facilities will participate in ETP-funded training. SWMH is eligible for ETP funding as a wholesaler and repairer of industrial machinery and equipment to customers located inside and outside of California.

PROJECT DETAILS

Training is driven by the Company's strategic plan to set itself apart from its competitors through high quality, efficient service. The Company understands that customers have numerous choices when selecting an equipment rental company. However, providing quality service will distinguish it from competitors. As such, training will focus on customer service skills:

- The Company will be implementing Lean concepts. Previous training in 6S led to the reorganization of the shop floor where every machine and every tool has a place and a purpose. The Company must now focus on improving repair and delivery times by raising competency levels of service personnel through structured training.
- The Company is pushing for a higher certification level for its technicians through Toyota. As a preferred Toyota forklift dealer, technicians already meet Toyota's quality standards. However, technician certification levels distinguish dealership ratings (ratings distinguish the level of service that may be offered). A higher rating will give customers the confidence that equipment will be repaired competently.
- The Company will be training employees on the recently purchased Enterprise Resource Planning (ERP) software, Dysel Business Software. The Customer Relationship Management component went live in October; however, several training modules have yet to be delivered. The main component, Equipment Lifecycle, is scheduled to go live during the 4th quarter of 2016. It will link operations across all departments and provide real time tracking on sales, rental, trade, repair, installation and service.

Training Plan

Training will be delivered via Class/Lab and Computer-Based Training. The majority of the training will be delivered by in-house trainers; however, training vendors may be hired at a later date for specific topics.

Business Skills (20%): Training will be provided to all occupations as it relates to individual job function. Trainees will receive product knowledge training on new SWMH products and processes. Advanced marketing and sales techniques will be delivered to the sales staff. Training will provide improved and consistent customer service/retention skills, and advanced marketing and sales skills.

Commercial Skills (50%): Training will be provided to Road Service and shop technicians and selected managers who need technical job skills to develop and support SWMH products, services and customers.

Computer Skills (15%): Training on the Dysel Everywhere Customer Relationship Management Software (CRM) and the Dysel Equipment Life Cycle (ELC) software will be delivered to all occupations as it relates to individual job function. The ELC software is scheduled to be delivered during the fourth quarter of 2016, when that component goes live. Selected Administrative Support staff will receive advanced skill sets in Microsoft Office Suite.

Continuous Improvement (10%): Trainees in all occupations will receive skill sets in topics such as team building, problem solving and decision making skills, leadership, process improvement, and quality concepts. Training will help workers standardize processes, and improve quality and efficiencies. Team building and problem solving will lead to improved operations and promote enhanced interactions with both internal and external customers.

Certified Safety Training (5%)

OSHA 10/30. This training is a series of courses “bundled” by industry sector and occupation. It consists of 10 hours of classroom training for journey-level workers and 30 hours for frontline supervisors. The coursework is geared to construction work, and also manufacturing. Completion of the training results in a certificate that expands employment opportunities. The coursework must be approved by Cal-OSHA, and the instructors must be certified by Cal-OSHA.

CBT

SWMH will offer up to 27 CBT hours to its Technical staff and selected Managers. CBT training will reinforce Class/Lab training. CBT hours are capped at 50% of total training hours per individual trainee.

Commitment to Training

SWMH states that it spends in excess of \$150,000 per year on training. The Company provides the following training: company orientation, safety training based on position/department or equipment used; California labor laws and regulations; basic computer skills; violence in the workplace prevention and sexual harassment prevention.

ETP funds will not displace the Company’s 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

SWMH has the full support of management to conduct the proposed training. The Company has a dedicated staff person as well as assistance from an administrative subcontractor, Employment Refund Group, to administer the Agreement.

High Unemployment Area

Seventy-Five trainees in Job Number 1 work in a High Unemployment Area (HUA), a region with unemployment exceeding the state average by at least 25%. The Company’s location in Riverside County qualifies for HUA status under these standards. However, SWMH is not asking for a wage or retention modification.

RECOMMENDATION

Staff recommends approval of this proposal.

DEVELOPMENT SERVICES

SWMH retained The Training Refund Group in Anaheim to assist with development of this proposal at no cost.

ADMINISTRATIVE SERVICES

SWMH also retained Training Refund Group to perform administrative services in connection with this proposal 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

- 9-Series Reach Truck Sales Product Knowledge
- Financial Merchandising Skills
- Hydraulic Attachment Operation Product Knowledge
- Electrification - Selling Battery Powered Equip.
- Marketing and Product Sales Skills
- Customer Service Skills
- Communication Skills
- 1st, 2nd & 3rd Gear Knowledge Skills
- CSS Boot Camp

COMPUTER SKILLS

- CRM Software Skills
 - Data Merge & Purge
 - Field Sales Scheduling
 - Scheduling Reports
 - Opportunity Input
 - Maintaining Opportunities
 - Manual Navigation
 - Price Book
 - Equipment Configuration
 - Quoting Procedures
 - Monitoring Field Sales
 - Generating Dealer Sales Reports
 - Dealer Quote Reporting
 - Equipment Analytics
 - Error Handling & Maintenance
 - Integration with ELC
- Business Systems Training (ELC software)
 - Accounts Receivable
 - Accounts Payable
 - Purchasing (PO) System
 - Equipment Management (New/Used)
 - Rental
 - Service
 - Parts
 - General Ledger
- Advanced Microsoft Office Skills

CONTINUOUS IMPROVEMENT

- Leadership Skills
- Process Improvement Skills
- Team Building Skills
- Lean Concepts
- Kaizen Skills

- Decision Making & Problem Solving Skills
- Standard Operating Skills
- Quality Control Standards
- Inspection Skills
- 6S

OSHA 10/30 (OSHA Certified Instructor)

- OSHA 10 (requires completion of 10-hour course)
- OSHA 30 (requires completion of 30-hour course)

COMMERCIAL SKILLS

- Vehicle Operation, Maintenance, & Troubleshooting
- Fuel Systems
- Brake Systems
- Engine Performance
 - Gasoline Engines
 - Diesel Engines
 - Drive Train
 - Suspension & Steering
 - Electrical/Electronic Systems & Theory
 - Truck Equipment Installation and Repair
 - Truck Equipment Auxiliary Power Systems Installation
 - Diagnostic Skills
 - Automotive Service Excellence (ASE) Certification Skills
 - Preventive Maintenance Inspections
 - IC Chassis Electrical Diagnosis-T250
 - Mast Inspection & Repair-T375
 - Industrial Combustion Engines
 - Steering & Suspension Systems
 - Large Capacity Diesel Training
 - -F1 Alternative Fuels
 - Computer Diagnostics
 - Advanced Troubleshooting
 - Gold Level Training Skills

CBT Hours

0-27

COMMERCIAL SKILLS

- 1st Level Technician Skills (2.5 hrs.)
- Bronze Level Training Skills Requirement
 - General Product/Toyota Engines-T140 (3.5 hrs.)
 - Electrical Systems & Theory (3.5 hrs.)
 - Class III T-650 Engines -T650 (3.5 hrs.)
- Silver Level Training Skills
 - Hydraulic Systems & Power Trains (4.0 hrs.)
 - Engine Control Systems (3.0 hrs.)
 - Electric Vehicles
 - Class 2 Order Picker & Reach Truck T600 (3.5 hrs.)
 - T752 Class 1 Electric Lift (3.5 hrs.)

Safety Training will be limited to 10% of total training hours per-trainee.

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