



**Retrainee – Job Creation  
Training Proposal for:  
Sukut Construction, Inc.**

**Fast Track  $\leq$  \$100,000**

**ET15-0153**

**Panel Meeting of:** June 27, 2014

**ETP Regional Office:** San Diego

**Analyst:** S. Godin

**CONTRACTOR**

- Type of Industry: Construction  
Priority Industry:  Yes  No
- Number of Full-Time Employees  
California: 400  
Worldwide: 400  
Number to be trained: 75  
Owner  Yes  No  
Mgr/Supr 0  
Frontline 75
- Out-of-State Competition: No OSC
- Special Employment Training:  Yes  No
- High Unemployment Area:  Yes  No
- Turnover Rate: 2%
- Repeat Contractor:  Yes  No
- Substantial Contribution:  Yes  No

**FUNDING**

- Requested Amount: \$55,760
- In-Kind Contribution: \$165,929

**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 Improvement	71	8-200	0	\$720	\$20.32
				Weighted Avg: 40			
2	Retrainee Job Creation Initiative Priority Rate	Business Skills, Commercial Skills, Computer Skills, Continuous Improvement	4	8-200	0	\$1,160	\$16.50
				Weighted Avg: 58			

- Reimbursement Rate:                      Job #1: \$18 Priority Retraining  
                                                            Job #2: \$20 Job Creation/Retrainee
- County(ies):                                    Orange
- Occupations to be Trained:              Administrative Support Staff, Engineering Staff,  
                                                            Operations Staff
- Union Representation:                       Yes  
                                                             No
- Health Benefits:                              Job #1 only: \$3.63 per hour
- Electronic Recordkeeping:                N/A

**SUBCONTRACTORS**

- Development Services:                      Training Funding Source, Seal Beach, assisted in  
                                                            development for a flat fee of \$3,500.
- Administrative Services:                      Training Funding Source will also provide  
                                                            administrative services for a fee not to exceed 13%  
                                                            of payment earned.
- Training Vendors:                              To Be Determined

**OVERVIEW**

Founded in 1968 and located in Santa Ana, Sukut Construction, Inc. (Sukut) is a heavy civil engineering contractor providing a wide range of engineering and construction services. Examples of past and current projects include: dam, levee, reservoir, pond and lake construction; soils engineering and earthwork logistics for mining and quarries; slope stabilizing and reinforcement; and wall construction and shoring.

As the construction industry begins to recover, competition from its competitors increases. To remain profitable, Sukut must expand its market segments from two (residential grading/excavation and environmental/landfill remediation) to five. The new segments include alternative energy projects, public works jobs, and large joint ventures. These projects are vastly different from previous [traditional] markets and require new skill sets.

The Company recently completed its first ETP-funded project in which 37 employees were introduced to the basic concepts of process improvement, teambuilding, and project management. These employees are now better equipped to identify and meet customer expectations. Core employees were also trained to become internal trainers.

With renewed assistance from ETP, Sukut will be able to build upon the skills that were acquired in the first Agreement and develop added skills that address growth in new business sectors. Training will assist the Company by improving customer service; expanding technical knowledge; streamlining workflow processes; eliminating waste; and reducing rework. Training topics delivered in the prior ETP Agreement will only be delivered to those trainees who did not participate in the first Agreement.

Sukut also purchased a new ERP System (Viewpoint) that is scheduled to go live May 2014. The system will support the new market segments and the Company's anticipated growth. The system will enable workflow integration across all departments and business segments; increase accuracy and speed of cost reports; and transition field production reporting from manual to technical reporting. This proposal will also focus on upgrading Computer Skills for retrainees and continued training on initiatives from the prior contract.

### **Retrainee – Job Creation**

Sukut has committed to hiring four new employees (Job Number 2) during the Agreement's term. To be eligible for the higher job creation reimbursement, trainees must be hired within the three month period prior to Panel approval or during the term of the contract. Newly hired trainees will be subject to a lower post-retention wage. The job creation trainees will include two Engineers and one Administrative Support Staff and one Operation Staff hired to support the Company's business expansion into new markets.

### **Temporary to Permanent Employees**

The company estimates that two of the four trainees in Job 2 (Job Creation) will fall under the Panel guidelines for "temporary to permanent" employment. Sukut will retain these employees through a temporary agency, with the intention of hiring them into full-time, permanent positions after training. These trainees must be determined eligible to participate in ETP funded training before the start of training, while on the payroll with the temporary agency. However, the retention and post-retention wage requirements cannot be satisfied until after they have been hired.

## **PROJECT DETAILS**

### **Training Plan**

**Business Skills** – All occupations will receive training specific to job functions. Training is necessary for project development, negotiations, and cost management analysis and successful resolution of issues arising during transition from the preconstruction to the construction phase.

Risk Management Skills will give Administrative Support and Engineering Staff the acumen to analyze and understand contract requirements to minimize the financial risk and accountability on construction projects.

**Commercial Skills** - Training will provide the skills and knowledge to support the Company's shift to its new market segments and enhance its current expertise in grading/excavation and environmental/landfill remediation. New skills sets will enable Engineering and Administrative Support Staff to successfully develop, bid, and deliver projects in the public works, alternative energy and joint venture arena.

**Computer Skills** - All occupations will receive training on the new ERP system, Viewpoint. Training will focus on business solutions such as Bid2Win (estimating software), Computer-Aided Design (CAD), Bluebeam Revu, and job specification software. Select Administrative Support and Operations Staff will receive training in advanced Microsoft Office Suite and Microsoft Project. Technology advances in applications using CAD, Civil Engineering 3-D, and estimating software will also require additional training.

**Continuous Improvement Skills** – All occupations will receive training specific to their job function. Training will focus on topics such as Leadership, Teambuilding, Lean Construction Techniques and Process improvement. Training will be provided in cross-functional team settings and will provide staff with the skills needed to provide solutions and lead teams in implementing change.

### **Special Employment Training/Wage Modification**

Under Special Employment Training, the participating employer is not required to demonstrate out-of-state competition. Trainees must be earning at least the statewide average hourly wage of \$27.09 at the end of the retention period. The Panel may modify the minimum wage requirement for companies in priority industries, up to 25% below the state average hourly wage (\$20.32). Sukut has requested this modification for Job Number 1 trainees.

### **RECOMMENDATION**

Staff recommends approval of this proposal.

### **ACTIVE PROJECTS**

The following table summarizes performance by Sukut under an active ETP Agreement:

Agreement No.	Approved Amount	Term	No. Trainees Enrolled	No. Completed Training	No. Retained
ET13-0110	\$27,000	7/26/12-7/25/14	80	37	37

The Contractor reports that 37 trainees have completed training and retention. The ETP Online tracking system shows 1,605 training hours, which equals more than 100% of the Agreement amount.

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

8-200

Trainees may receive any of the following:

**BUSINESS SKILLS**

- + Building Relationships
- + Business/Technical Writing Skills
- + Communication & Active Listening Skills
- + Customer Development & Service
- + Conflict Resolution
- + Negotiation Skills
- + Goal Setting
- + Risk Management
- + Accounting Processes
- + Cost Management Analysis

**COMMERCIAL SKILLS**

- + Bidding Process
- + Budgets/Cost Management
- + Building Codes
- + Civil Engineering Construction Procedures
- + Claims Management
- + Concrete Structures
- + Contract Change Management
- + Construction Best Practices
- + Earthwork Engineering
- + Environmental Policies
- + Solar Construction
- + Wind Turbines
- + Environmental/HDPE Liner
- + Equipment Utilization
- + Estimating
- + GPS Technology/Methods
- + Job Close-Out Processes
- + Project Walk Through
- + Pre-Construction Soils/Geology
- + Quality Control
- + Rock Blasting/Excavation
- + Running Hauls
- + Scheduling and Managing
- + Subcontractor Analysis
- + Understanding Production Goals
- + Value Engineering
- + Wet Utilities
- + Work Planning/Submittals

**COMPUTER SKILLS**

- ✦ Viewpoint ERP
- ✦ Bid2Win (Estimating Software)
- ✦ Bluebeam Software
- ✦ Civil 3D for Civil Engineering Design
- ✦ Computer-Aided Design
- ✦ McGraw Hill (Job Sourcing and Specification Software)
- ✦ MS Office Suite (Advanced/Intermediate)
- ✦ Microsoft Project
- ✦ Track-IT- (Tracking Daily Production Costs)

**CONTINUOUS IMPROVEMENT**

- ✦ Leadership Skills for Frontline Workers
- ✦ Lean Construction Techniques & Processes
- ✦ Problem Solving/Decision Making
- ✦ Process Improvement
- ✦ Project Management
- ✦ Change Management
- ✦ Coaching/Mentoring
- ✦ Team Building

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

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