



RETRAINEE - JOB CREATION

Training Proposal for:

Sunrise Medical (US) LLC

Agreement Number: ET16-0115

Panel Meeting of: July 24, 2015

ETP Regional Office: Sacramento

Analyst: L. Fraizer

PROJECT PROFILE

Contract Attributes:	Priority Rate Retrainee HUA Job Creation Initiative	Industry Sector(s):	Manufacturing Priority Industry: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
Counties Served:	Fresno	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: 350	U.S.:450	Worldwide: 1600	
<u>Turnover Rate:</u>	6%			
<u>Managers/Supervisors:</u> (% of total trainees)	1%			

FUNDING DETAIL

Program Costs	-	(Substantial Contribution)	=	(High Earner Reduction)	=	Total ETP Funding
\$280,350		\$0		\$0		\$280,350

In-Kind Contribution:	100% of Total ETP Funding Required	\$280,350
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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, Manufacturing Skills, PL- Manufacturing	335	8-200	0	\$810	\$15.07
				Weighted Avg: 45			
2	Job Creation Initiative Priority Rate	Business Skills, Computer Skills, Continuous Improvement, Manufacturing Skills, PL- Manufacturing	6	8-200	0	\$1,500	\$12.33
				Weighted Avg: 75			

Minimum Wage by County: Job Number 1: \$15.07 per hour for Fresno County; Job Number 2: \$12.33 per hour for Fresno 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 \$3.66 per hour may be used to meet the Post-Retention Wage for Job Number 1 and \$0.83 per hour may be used to meet the Post-Retention Wage for Job Number 2.

Wage Range by Occupation

Occupation Titles	Wage Range	Estimated # of Trainees
Job Number 1		
Administrative Staff		22
Customer Service/Inside Sales Staff		65
Engineering Staff		29
Manufacturing Staff		136
Shipping/Receiving Staff		30
Quality/Regulatory Staff		14
Purchasing Staff		9
Maintenance Mechanics Staff		5
Manager/Supervisor		25
Job Number 2		
Customer Service/Inside Sales Staff		2
Manufacturing Staff		4

INTRODUCTION

Sunrise Medical (US) LLC (Sunrise Medical) (www.sunrisemedical.com) is an international manufacturer of customized wheelchairs headquartered in Fresno. The Company was initially started in reaction to a friend's hang gliding accident with the goal of building a flexible, ultra-light wheelchair that would allow a disabled person to maintain an active lifestyle. Since then, the Company has grown its wheelchair line. The Company has been innovative, creating customized wheelchair lines to address a variety of patient injury/health challenges.

Sunrise Medical builds customized wheelchairs constructed to the exact need of the user from a size and functionality standpoint. The Company is known for their innovative designs and adaptability to customer needs. The Company has added to their product line over the years and now offers a variety of models and applications such as portable ventilator attachments.

Sunrise Medical is eligible for standard retraining as a company primarily engaged in providing services directly to customers located both inside and outside of California.

PROJECT DETAILS

Sunrise Medical has increased their market share due to the acquisition in April of Switch-it, a company that makes drive controls for mobile motorized wheelchairs. These drive controls will be integrated into all of Sunrise Medical's wheelchair models. The Company has recently purchased a Hurco CNC Machine and two Coordinated Measuring Machines. New equipment will help retool the manufacturing line by integrating the Switch-it drivers into the process and measure tolerances for parts and components of the product line insuring medical grade products. Training will be required to bring staff up to speed on the operation procedures of the new equipment.

This is Sunrise Medical's second ETP Agreement. In Sunrise Medical's first agreement training focused on the operation of Siemens/Allen-Bradley Controllers, the implementation of a waste reduction business model and certified safety training. Trainees who were included in the previous contract will be trained in new and different aspects of their jobs. Sunrise Medical is requesting training to increase machine proficiency, develop new product knowledge and best practices, and address customer and vendor needs. The Company will also cross-train employees to help improve quality, capacity and staff sustainability.

Retrainee - Job Creation

In support of job creation, the Panel is offering incentives to companies that commit to hiring new employees. Training for newly-hired employees will be reimbursed at a higher rate, and trainees will be subject to a lower post-retention wage.

Sunrise Medical has expanded their existing business capacity through the acquisition of a new company and the purchase of new equipment and software. Training on the new drive controls will be extensive for the new employees and will ensure accuracy and proficiency. Trainees will be taught calibration and operation of the new machinery, necessary for it to run at a highly productive pace with a low number of defects.

Sunrise Medical has committed to hiring six new employees (Job Number 2). The date-of-hire for all trainees will be within the three-month period before contract approval or within the term-of-contract. Trainees will be hired into "net new jobs" as a condition of contract.

Training Plan

Trainees will receive between 8-200 hours of class/lab training and between 0-32 hours of Productive lab training.

Business Skills (15%): Training will be offered to all occupations and will focus on improving customer service skills, advanced sales strategies and product knowledge. Course topics will include Total Account Development, Strategic Planning and Effective Communication. This training will improve financial processes and profits, plant operations, and verbal and written communication.

Computer Skills (20%): Training will be provided to all staff. Advanced Microsoft Office training will be provided to enable trainees to enhance the flow of information throughout the organization and provide a smoother workflow. Engineering staff will receive training on new CAD/CAD 3D software systems to enable them to respond to customers design needs and to implement innovative new product designs. Training will also include JDE Systems training expand capabilities of the enterprise resource planning system; computer assisted machinery skills related to Siemens/Allen-Bradley Controllers; and best practices.

Continuous Improvement (25%): Training will be offered to all occupations. Leadership and Teambuilding training will empower staff to accomplish company goals. Quality Control, Product Research and Development Concepts training will enable efficient monitoring of the manufacturing processes and result in reducing defects as well as maintaining the company's position in the forefront of the industry.

Manufacturing Skills (30%): Training will be offered to Manufacturing, Shipping/Receiving, Purchasing, Quality/Regulatory, Engineering, and Customer Service/Inside Sales Staff. Training will include Lean Manufacturing principles, visual factory, and advanced materials handling equipment training. Training will result in improved equipment operation, reduced waste, and efficiently handled materials.

Productive Laboratory (10%)

During PL, 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.

Sunrise Medical has acquired new equipment that will integrate new controls into manufacture of their products. The Company's staff will need hands-on training in order to operate the new equipment and production line. Engineering, Shipping/Receiving, Quality, Production, and Maintenance will need PL-Manufacturing Skills training to successfully operate all of the equipment in the production process. PL training will teach the trainees the proper way to enter data into computer controllers, operate equipment, make needed adjustments and measurements, check tolerances and perform basic troubleshooting. Certain functions can only be performed in a live setting as they are not available in a simulated lab environment. The trainers are in-house subject matter experts, proficient in the subjects to be taught.

All trainees will receive between 0-32 hours of PL training delivered at a trainer-to trainee ratio of 1:1.

Production is expected to be reduced during PL training. Trainer will assess trainees' skills at the onset of training and during training. Trainer will assess performance and deem trainee competent. Training supervisor will observe trainee performing quality control checks and product tests for tolerances.

Commitment to Training

Sunrise Medical has an annual training budget of \$300,000. Training includes company orientation, basic safety training and regulatory 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.

High Unemployment Area

All trainees work in a High Unemployment Area (HUA), a region with unemployment exceeding the state average by at least 25% and qualify for a wage or retention modification. However, Sunrise Medical is not asking for a wage or retention modification.

RECOMMENDATION

Staff recommends approval of this proposal.

PRIOR PROJECTS

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

Agreement No.	Location (City)	Term	Approved Amount	Payment Earned \$ %
ET13-0425	Fresno	06/24/13- 06/23/15	\$235,440	\$235,440 (100%)

DEVELOPMENT SERVICES

Sunrise Medical retained Strategic Business Solutions in Visalia to assist with development of this proposal for a flat fee of \$7,950.

ADMINISTRATIVE SERVICES

Sunrise Medical also retained Strategic Business Solutions to perform administrative services in connection with this proposal, 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

- Total Account Development
- Effective Communications
- Strategic Planning

COMPUTER SKILLS

- Advanced Microsoft Office Suite
- CAD/CAD 3D Software Training
- JDE (Jack, Dan, Edwards) Systems Training
- Computer Assisted Machinery Software Training
- Oracle Taleo Corporation TALEO Analysis Training

CONTINUOUS IMPROVEMENT

- Leadership Academy Training
- Teambuilding
- Advanced Quality Control Systems
- Process Analysis Training

MANUFACTURING SKILLS

- Production Equipment Safe Operation and Maintenance
- Lean Manufacturing Principles
- Advanced Materials Handling Equipment Training

PL Hours

0-32

PRODUCTIVE LAB (PL) Manufacturing Skills (Ratio 1:1)

- Measuring Machines Programing
- Measuring Machines Set Up/Calibration
- Measuring Machines Run Process
- Measuring Machines Final QC Check
- Measuring Machines Close Out Process
- Measuring Machines Clean and Teardown
- HURCO (Gerald Roch and Edward Humston Company) CNC Machine Programing
- HURCO (Gerald Roch and Edward Humston Company) CNC Machine Set Up/Calibration
- HURCO (Gerald Roch and Edward Humston Company) CNC Machine Run Process
- HURCO (Gerald Roch and Edward Humston Company) CNC Machine Final QC Check
- HURCO (Gerald Roch and Edward Humston Company) CNC Machine Close Out Process
- HURCO (Gerald Roch and Edward Humston Company) CNC Machine Clean and Teardown

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