



**RETRAINEE - JOB CREATION**

**Training Proposal for:**

**Sysco Los Angeles, Inc.**

**Agreement Number: ET16-0117**

**Panel Meeting of:** July 24, 2015

**ETP Regional Office:** North Hollywood

**Analyst:** M. Paccereilli

**PROJECT PROFILE**

Contract Attributes:	Retrainee SET Job Creation Initiative	Industry Sector(s):	Services Wholesale Trade  Priority Industry: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Counties Served:	Los Angeles	Repeat Contractor:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Union(s):	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Teamsters Automotive, Industrial & Allied Workers Local 495; Teamsters Local Union 848; Teamsters Local 630		
Number of Employees in:	CA: 710	U.S.: 45,000	Worldwide: 46,300
<u>Turnover Rate:</u>	7%		
<u>Managers/Supervisors:</u> (% of total trainees)	N/A		

**FUNDING DETAIL**

Program Costs	-	(Substantial Contribution)	(High Earner Reduction)	=	<b>Total ETP Funding</b>
\$255,600		\$0	\$0		\$255,600

In-Kind Contribution:	100% of Total ETP Funding Required	\$262,000
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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 SET	Continuous Impr.; Computer Skills; Business Skills; Commercial Skills; PL-Comml Skills	125	8-200	0	\$1,440	\$27.40
				Weighted Avg: 96			
2	Retrainee Job Creation Initiative SET	Continuous Impr.; Computer Skills; Business Skills; Commercial Skills; PL-Comml Skills	30	8-200	0	\$2,520	\$13.31
				Weighted Avg: 126			

**Minimum Wage by County:** Job Number 1: \$27.40 per hour for SET Frontline Workers;  
Job Number 2: \$13.31 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 \$4.98 per hour may be used to meet the Post-Retention Wage in Job Number 1.

Up to \$1.31 per hour may be used to meet the Post-Retention Wage in Job Number 2.

**Job Number 1 Wage Range by Occupation**

Occupation Titles	Wage Range	Estimated # of Trainees
Administrative Staff		5
Customer Service Staff		5
Lead		5
Marketing Associate		35
Support Staff		5
Technical Staff		5
Transportation Staff		30
Warehouse Staff		35

**Job Number 2 Wage Range by Occupation**

Occupation Titles	Wage Range	Estimated # of Trainees
Administrative Staff		2
Customer Service Staff		2
Lead		2
Marketing Associate		16
Support Staff		2
Technical Staff		2
Transportation Staff		2
Warehouse Staff		2

## **INTRODUCTION**

This will be the fifth Agreement between ETP and Sysco Los Angeles, Inc. (Sysco LA) ([www.sysco.com](http://www.sysco.com)). Sysco LA warehouses, distributes and delivers more than 10,000 different food products, beverages, equipment and supplies. As a subsidiary of Sysco Corporation, Sysco LA has the advantage of a large corporation, such as expertise in computer systems, finance, distribution systems, and national exposure. However, it is autonomous in operation (each Sysco location is independently operated), with the ability to adjust to local market conditions and opportunities.

## **PROJECT DETAILS**

With its commitment to improve productivity in all areas, the parent Sysco Corporation created a Business Transformation Project company-wide by implementing an integrated SAP software system. This system will unify business processes across its operating companies and distribution centers while addressing its specific business needs in the wholesale industry.

Although Sysco LA is participating in the Business Transformation Project, it experienced problems during implementation of SAP last year. Instead of a full system rollout, only three of the five SAP modules were able to launch during the last ETP-funded Agreement. The remaining two modules will roll out in a few months.

This proposal will prepare trainees for the remaining SAP modules as well as other courses pertinent to the Business Transformation Project. The capabilities of the new SAP system include:

- Sysco Portal – a web-based access point for Sysco applications and information.
- Customer Relationship Management (Salesforce.com) – an application for prospect-filtered marketing leads that will also help track and record every stage of the sales process.
- Sysco Market and Sysco Pro – online ordering programs, which include order management, menu and nutritional analysis, extensive reporting capabilities, messaging, and alerts.
- Dashboard Portals – job and role specific software applications, which combine information from many sources in unified displays.

### **Retrainee - Job Creation**

Under the Panel's Job Creation guidelines, Sysco LA is expanding its business capacity by adding new workers to existing functions, specifically Marketing Associates, to meet an anticipated increase in sales. Based on its projected sales growth, the Company has committed to hiring at least 30 additional frontline staff in the occupations of Administrative Staff, Customer Service Staff, Leads, Support Staff, Technical Staff, Transportation Staff, and Warehouse Staff who will participate in the ETP training under Job Number 2.

Under the Panel's Job Creation guidelines, trainees must be hired within the three-month period prior to Panel approval or during the term of contract. Newly hired employees will be reimbursed at a higher rate and trainees will be subject to a lower post-retention wage. The Company also represents that these trainees will be hired into "net new jobs" as a condition of contract.

### **Union Support**

This project is supported by the Teamsters Automotive, Industrial & Allied Workers Local 495 representing the Transportation Staff and the Teamsters Local Union 848 and Local Union 630

representing the Warehouse Staff in this proposal. Letters of support have been provided to ETP.

## **Training Plan**

**Computer Skills (40%)** – All occupations will receive training in Sysco LA's new SAP system which will improve delivery time and reduce order errors.

**Continuous Improvement (10%)** – Training will be provided to all occupations in Sysco Quality Standards and Food Safety to improve service quality and customer satisfaction.

**Business Skills (35%)** - Training will be provided to all occupations focusing on customer service standards, advanced operating procedures, and sales techniques.

**Commercial Skills (15%)** - Training will be provided to Support Staff and Transportation and Warehouse Staff in best practices, diagnosing electrical system problems, repairing computer controlled systems, and preferred work methods. Trainees will receive skills to troubleshoot; ensuring that equipment is operational at all times to increase productivity.

## **Productive Laboratory**

Training in Productive Lab (PL) in Commercial Skills will be offered to Warehouse and Transportation Staff in equipment operation consisting of forklift, pallet jacks, scrubbers and sweepers. These trainees will receive a combination of Class/Lab and up to 20 PL hours followed by 40 hours of on-the-job training at the Company's expense. Trainees will be provided with operating procedures and instructions for the piece of equipment. Trainees will observe the trainer diagnose and repair the equipment and then complete supervised assignments. Trainees are ultimately evaluated on knowledge, skill, productivity, proficiency, and safety. Trainers must certify competency for each skill before trainees are allowed to work independently.

Trainers will be in-house staff and subject matter experts with at least two years of experience in equipment operation. The majority of the training will consist of a 1:1 trainer-to-trainee ratio. However, approximately 5% of the training will be 1:3 due to equipment availability. (There are only a limited number of these machines available for training purposes at a given time.) Trainees will be in small groups observing and receiving hands-on training during certain parts of the training plan.

## **Special Employment Training**

Under SET, Sysco LA is not required to demonstrate out-of-state competition. To qualify under SET, trainees must be earning at least the statewide average hourly wage at the end of the retention period.

## **Commitment to Training**

Sysco spends approximately \$550,000 on training annually on New Hire orientation, OSHA-mandated training, sexual harassment, first aid, warehouse selector training, and on-the-job training. ETP funds will not displace the existing financial commitment to training. Safety training will continue to be provided in accordance with all pertinent requirements under state and federal law.

➤ Training Infrastructure

Sysco LA's Vice President of Human Resources and Training Manager will oversee internal project administration. In addition, the Company has retained an outside administrative consultant to ensure that training documentation adheres to ETP requirements.

### **RECOMMENDATION**

Staff recommends approval of this proposal.

### **PRIOR PROJECTS**

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

Agreement No.	Location (City)	Term	Approved Amount	Payment Earned
ET12-0222	Walnut	12/19/2011– 12/18/2013	\$399,000	\$248,996 (62%)

ET12-0222: Sysco LA over-performed on the training provided to incumbent trainees in this project, but underperformed in the Job Creation training. Over 100% of training hours were delivered to incumbent workers. However, not all funds were utilized in Job Creation due to a delay in the opening of the Sysco Riverside facility (a separate entity). The plan was for Sysco Riverside to hire 60 workers and for Sysco LA to train those workers. The delay prevented Sysco LA's hiring of staff for its own operations.

The Sysco Riverside facility is now operating independently from Sysco LA. Further, to ensure success, the Company requested a funding amount that is in-line with payment earned in ET12-0222 and the Job Creation component is much smaller than before.

### **DEVELOPMENT SERVICES**

Sysco LA retained National Training Company (NTC) in Irvine to assist with development of this proposal for a flat fee of \$5,000.

### **ADMINISTRATIVE SERVICES**

Sysco LA also retained NTC 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:

**CONTINUOUS IMPROVEMENT**

- Quality Assurance
- Resolving Customer Problems
- Sysco Food Safety
- Sysco Quality Standards
- Team Communication

**COMPUTER SKILLS**

- Computerized Inventory
- Contact Management
- Customer Relationship Management
- Dashboard Portals
- External Web-Based Applications
- Laptop Techniques
- Production Applications
- Sales Cloud Computing
- Salesforce.com
- SAP Software Applications
- Service Cloud Computing
- Smartphone Applications
- Social Networking
- Sysco Desktop Applications
- Sysco Market
- Sysco Portal
- Sysco Pro
- Tablet Applications

**BUSINESS SKILLS**

- Advanced Operating Procedures
- Customer Service Standards
- Handling Difficult Customers
- Improving Customer Contact
- Internet Marketing
- Lead Generation
- Marketing Campaigns
- Marketing Performance
- Multi-Channel Marketing
- Opportunity Related Data
- Product Knowledge and Sales Techniques
- Sales Performance Processes
- Sales Presentations
- Social Marketing
- Targeted Marketing
- Time Management

**COMMERCIAL SKILLS**

- Building Customer Orders
- Operating Forklifts
- Operating Electric Pallet Jacks
- Order Selection Procedures
- Order Delivery Procedures
- Palletizing Products
- Product Handling
- Preferred Work Methods
- Scrubbers
- Sysco Labeling Systems
- Sweepers

**Productive Lab Hours**

0-20

**COMMERCIAL SKILLS** (cannot exceed 1:3 trainer-to-trainee ratio)

- Building Customer Orders
- Operating Forklifts
- Operating Electric Pallet Jacks
- Order Selection Procedures
- Order Delivery Procedures
- Palletizing Products
- Product Handling
- Preferred Work Methods
- Scrubbers
- Sysco Labeling Systems
- Sweepers

Note: Reimbursement for retraining is capped at 200 total hours per trainee, regardless of method of delivery. PL is capped at 20 hours per-trainee.



*Celebrating 75 Years Strong*

ET16-0117

# TEAMSTERS AUTOMOTIVE, INDUSTRIAL AND ALLIED WORKERS LOCAL UNION No. 495

R.M. "BOB" LENNOX  
*Secretary-Treasurer*

GEORGE PARK  
*President*



May 26, 2015

Employment Training Panel  
1100 J Street  
4th Floor  
Sacramento, CA 95814

Re: Sysco Los Angeles, Inc Employment Training Panel Project

The Teamsters Union Local No. 495 supports the proposed Sysco Los Angeles, Inc Employment Training Panel (ETP) project.

Sincerely,

**TEAMSTERS AUTOMOTIVE, INDUSTRIAL  
AND ALLIED WORKERS LOCAL NO. 495**

George A. Park  
President

GAP:pl



# Teamsters Local Union No. 848

Chartered in 1937

ERIC TATE  
SECRETARY-TREASURER

May 12, 2015

Employment Training Panel  
1100 J Street  
4th Floor  
Sacramento, CA 95814

**Re:** Sysco Los Angeles, Inc Employment Training Panel Project

Teamsters Local 848 supports the proposed Sysco Los Angeles, Inc Employment Training Panel (ETP) project.

Sincerely,

Gil Baltazar  
President/Business Agent  
Teamsters Local 848

6B

*Our Members Are Our Strength . . . Our Children Are Our Future . . . Our Retirees Are Our Foundation*





Food, Industrial and Beverage Warehouse, Drivers  
and Clerical Employees Union - Los Angeles and Vicinity

ET16-0117

(213) 627-2178  
Fax (213) 627-0846

## Teamsters Local Union No. 630

750 S. Stanford Avenue / Los Angeles, California 90021-1416

**Ernest Lopez**  
Secretary Treasurer

**Xavier Sandoval**  
President

May 15, 2015

### Employment Training Panel

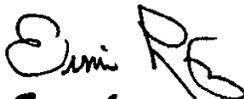
1100 J Street  
4th floor  
Sacramento, Ca. 95814

Re: Sysco Los Angeles, Inc Employment Training Panel Project

To whom it may concern,

Teamsters Local Union 630 support the proposed Sysco Los Angeles, Inc Employment Training Panel (ETP) project..

Sincerely,

  
**Ernie Lopez**

Secretary Treasures  
Teamster Local 630

(60)

*Affiliated with International Brotherhood of Teamsters*

