



RETRAINEE - JOB CREATION

Training Proposal for:

Sysco Sacramento, Inc.

Agreement Number: ET17-0192

Panel Meeting of: August 26, 2016

ETP Regional Office: Sacramento

Analyst: D. Jordan

PROJECT PROFILE

Contract Attributes:	SET HUA Retrainee Job Creation Initiative	Industry Sector(s):	Wholesale Trade Priority Industry: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
Counties Served:	Sutter	Repeat Contractor:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
Union(s):	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Teamsters Local 137			
Number of Employees in:	CA: 420	U.S.: 420	Worldwide: 51,700	
<u>Turnover Rate:</u>	7%			
<u>Managers/Supervisors:</u> (% of total trainees)	0%			

FUNDING DETAIL

Program Costs	-	(Substantial Contribution)	=	(High Earner Reduction)	=	Total ETP Funding
\$363,700		\$0		\$0		\$363,700

In-Kind Contribution:	100% of Total ETP Funding Required	\$403,000
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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 HUA	Business Skills, Commercial Skills, Computer Skills, Continuous Impr, PL-Comm Skills	380	8 - 200	0	\$915	*\$15.60
				Weighted Avg: 61			
2	Retrainee Job Creation Initiative SET HUA	Business Skills, Commercial Skills, Computer Skills, Continuous Impr, PL-Comm Skills	20	8 - 200	0	\$800	*\$13.00
				Weighted Avg: 40			

*It will be made a condition of contract that trainees will never be paid less than the State or local minimum wage rate at the end of retention regardless of the wage expressed in this table. The highest minimum wage rate will prevail.

Minimum Wage by County: \$11.70 per hour for Job Number 1 and \$10.00 per hour for Job Number 2 in Sutter 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 \$2.10 per hour may be used to meet the Post-Retention wage for Job Number 1 only.

Wage Range by Occupation		
Occupation Titles	Wage Range	Estimated # of Trainees
Job Number 1		
Administrative Staff		30
Customer Service Staff		15
Lead		20
Marketing Associate		95
Support Staff		15
Technical Staff		20
Transportation Staff		110
Warehouse Staff		75
Job Number 2		
Administrative Staff		1
Customer Service Staff		1
Lead		1
Marketing Associate		5
Support Staff		1

Technical Staff		1
Transportation Staff		5
Warehouse Staff		5

INTRODUCTION

Sysco Sacramento, Inc. (www.sysco.com) was founded in 2000 and is a subsidiary of Sysco Corporation located in Houston, Texas. Sysco Sacramento is headquartered in Pleasant Grove. Sysco warehouses, distributes and delivers more than 10,000 different food products, beverages, equipment, and supplies. Their delivery distance spans from the Oregon border, south to Lodi, and east to the Nevada border. Some of Sysco's customers are restaurants, schools, assisted living facilities, government facilities, and other businesses.

PROJECT DETAILS

This proposal will be Sysco's second proposal. It is their first proposal in the last five years. Sysco is growing rapidly. The Company is seeking to remain competitive in the food service business. The Company's proposed training will focus on improving product knowledge, processes and procedures. For people skills, the Company will concentrate on customer service and sales techniques.

The Company will train employees on equipment (smartphones, tablets, and internet technology) and the recently purchased Sysco360, a customer relationship management system recently implemented to facilitate customer needs. Training on the Sysco360 software will also help employees establish cross-selling and up-selling opportunities with customers. This will improve production times and allow the Company to ship orders efficiently.

Retrainee - Job Creation

In support of Job Creation, the Panel is offering incentives to companies that commit to hiring new employees. Under the Retrainee-Job Creation program, training for newly-hired employees will be reimbursed at a higher rate, and trainees will be subject to a lower post-retention wage.

Sysco has been improving its processes and expanding business capacity by purchasing new equipment and converting its business into an internet business. The Company has committed to hiring 20 new employees (Job Number 2). The date-of-hire for all trainees in the Job Creation program 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

Business Skills (40%): Training will be offered to all occupations. Courses will focus on product knowledge, sales techniques and customer service. Training will help the Company improve customer service and sales to its current customers and attract new customers.

Commercial Skills (15%): Training will be offered to Transportation and Warehouse Staff on processes and procedures to improve order accuracy. Training will help improve productivity.

Computer Skills (35%): Training will be offered to all occupations. Sysco has spent a lot of money improving its internet technology and updating equipment (the purchase of portable technologies like tablets and smartphone). Training will allow employees to fully use these technologies.

Continuous Improvement (5%): Training will be offered to all occupations. In the food industry, quality and safety is very important. Training will allow employees to handle products safely and with the utmost care to ensure quality.

Productive Laboratory

Productive Lab (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.

PL will be offered to Transportation and Warehouse Staff. Training will focus on the operation of forklifts, electric pallet jacks, and sweepers. This equipment is too large to fit into a classroom setting. Hands-on operation is the most efficient training method. Trainees will receive up to 60 hour of PL.

Sysco is requesting a 1:3 trainer-to-trainee ratio due to the limited availability of in-house trainers. The trainers will be pulled from production while initiating PL, which will affect overall productivity. Limiting the number of trainers will allow the plant to run as close to capacity as possible. Also, the Company mainly trains employees in small teams since new staff will start off at a slower pace and it will take a number of months to get up-to-speed. Trainers will determine competency.

SET/HUA

Under SET, Sysco 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.

The 400 trainees in Job Numbers 1 work in Sutter County, a High Unemployment Area (HUA) with unemployment exceeding the state average by at least 25%. For a SET-funded HUA, trainees qualify at the ETP Standard Minimum Wage by county. The Panel may also modify the minimum wage for these trainees by up to 25% if post-retention wages exceed the start-of-training wages. However, Sysco is not requesting a wage modification.

Commitment to Training

Sysco's annual training budget per facility is approximately \$352,000. Training has included business development strategies, consultative selling, operating procedures, and MS Office. Sysco has also offered new-hire orientation, OSHA mandated training, on-the-job, and warehouse selector training. Sysco represents that 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

Sysco will have an administrative coordinator to keep track of all rosters and send them to the administrator. Procedures have been developed to collect and submit rosters to maximize earnings. Additionally, National Training Company was retained to assist with the administrative process.

Temporary to Permanent Hiring

Sysco intends to train 10 workers in Job Number 2 under Panel guidelines for the Temporary-to-Permanent program. The Company has retained these employees on a temporary basis, with

the intention of hiring them into full-time, permanent positions after training. According to Sysco the average time for “converting” temporary workers into full-time permanent employment is 6 months. Sysco is using Deep Kleen, Inc. staffing agency in Elk Grove for their temporary employees. It is expected that these workers will receive employer-paid share-of-cost for healthcare premiums while on temporary status. Upon hire into full-time permanent employment, healthcare benefits are available immediately.

Under Panel guidelines for the Temporary to Permanent program, these trainees must be eligible to participate in ETP-funded training pursuant to Unemployment Insurance Code Section 10201(c). Until they are hired by Sysco into full-time employment, retention and post-retention wage requirements cannot be satisfied and the Company will not receive progress payments.

RECOMMENDATION

Staff recommends approval of this proposal.

DEVELOPMENT SERVICES

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

ADMINISTRATIVE SERVICES

Sysco also retained National Training Company, Inc. to perform administrative services in connection with this proposal for a fee not to exceed 13% of payment earned.

TRAINING VENDORS

N/A

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

8-200 Trainees may receive any of the following:

BUSINESS SKILLS

- Customer Service Standards
- Handling Difficult Customers
- Hispanic and Asian Products
- Improving Customer Contact
- Internet Marketing
- Lead Generation
- Marketing Performance
- Multi-Channel Marketing
- Product Knowledge
- Sales Performance Processes
- Sales Presentations
- Social Marketing
- Sysco Operating Procedures
- Targeted Marketing
- Time Management

COMMERCIAL SKILLS

- Building Customer Orders
- Field Maintenance
- Loading Trucks More Efficiently
- Operating Forklifts
- Operating Electric Pallet Jacks
- Order Selection Procedures
- Order Delivery Procedures
- Palletizing Products
- Product Handling
- Preferred Work Methods
- Temperature Control Instrumentation

COMPUTER SKILLS

- Computerized Inventory
- Contact Management
- Customer Relationship Management
- Dashboard Portals
- External Web Based Applications
- Laptop Techniques
- Sysco360 (Salesforce)
- Sysco Market Express (Desktop)
- Sysco Market Mobile (Phone/Tablet)
- Sysco Portal
- Tablet Applications
- Telogis Fleet Management

CONTINUOUS IMPROVEMENT

- General Manufacturing Procedure Training
- Procurement Efficiency
- Quality Assurance
- Sysco Food Safety
- Sysco Quality Standards
- Team Communication

Productive Lab

0 -60

COMMERCIAL SKILLS (1:3 trainer-to-trainee ratio)

- Operating Forklifts
- Operating Electric Pallet Jacks
- Order Selection Procedures
- Order Delivery Procedures
- Product Handling
- Preferred Work Methods
- Sysco Labeling Systems
- Sweepers
- Tractors
- Trailers
- Warehouse Equipment

Note: Reimbursement for retraining is capped at 200 total training hours per trainee, regardless of the method of delivery. PL is capped at 60 total training hours per-trainee.

General Teamsters Professional, Health Care
and Public Employees

LOCAL 137

DAVE HAWLEY
SECRETARY/ TREASURER

ET17-0192

July 6, 2016

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

RE: Sysco Foods Services of Sacramento- Employment Training Panel

This letter confirms the support that Teamsters Local 137 has given to Sysco Foods Services of Sacramento for the proposed Employment Training Panel (ETP) project.

The Union understands and agrees that the ETP training program will provide various types of training to members of the Union.

Sincerely,



Russ Butler
Vice President/
Business Agent