



**Retrainee - Job Creation
Training Proposal for:
T.G.I.F. Body Shop, Inc.**

Small Business

ET17-0167

Approval Date: August 2, 2016

ETP Regional Office: San Francisco Bay Area

Analyst: R. Jackson

CONTRACTOR

- Type of Industry: Services
- Priority Industry: Yes No
- Number of Full-Time Employees
 - California: 22
 - Worldwide: 22
 - Number to be trained: 19
- Owner Yes No
- Out-of-State Competition: No OSC
- Special Employment Training (SET): Yes No
- High Unemployment Area (HUA): Yes No
- Turnover Rate: 6%
- Repeat Contractor: Yes No

FUNDING

- Requested Amount: \$18,040
- In-Kind Contribution: \$23,210

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 SB <100	Cont. Imp., Business Skills, Computer Skills, Commercial Skills, HazMat, PL-Commercial Skills	16	8-60	0	\$880	\$28.37
				Weighted Avg: 40			
2	Retrainee SET SB <100 Job Creation Initiative	Cont. Imp., Business Skills, Computer Skills, Commercial Skills, HazMat, PL-Commercial Skills	3	8-60	0	\$1,320	\$14.19
				Weighted Avg: 60			

- Reimbursement Rate: Job #'s 1 & 2: \$22 SB Non-Priority

- County(ies): Alameda
- Occupations to be Trained: Estimator, Technician, Owner, Administrative Staff, Manager
- Union Representation: Yes
 No
- Health Benefits: Job #'s 1 & 2: \$2.31 per hour

Only an estimated seven employees of nineteen were identified as needing health benefits to meet ETP's wage requirement.

SUBCONTRACTORS

- Development Services: Synergy Management Consultants LLC in Grass Valley, assisted with development for a flat fee of \$1,440.
- Administrative Services: Synergy Management Consultants LLC will also provide administrative services for a fee not to exceed 13% of payment earned.
- Training Vendors: Inter-Industry Conference on Automotive Repair, in Los Angeles will deliver Commercial Skills training.

OVERVIEW

Founded in 1980, T.G.I.F. Body Shop, Inc. (TGIF) (www.tgifauto.com) provides automotive repair services and sales of parts and accessories. The Company has one facility located in Fremont, CA.

Rapid business growth fueled by new government repair fleet contracts with the City of Fremont, and industry changes, are presenting the need for TGIF to hire additional staff and upgrade incumbent staff skills.

TGIF invested \$26,000 in new equipment in 2016. The Company confirmed that a needs assessment was performed which aided in the design of the curriculum. Also, the Company has an internal staff that will administer the agreement along with the assistance of their administrative subcontractor, Synergy Management Consulting, LLC.

Larger multi-state automotive repair competitors have increased their markets locally over the last three years. For TGIF to remain competitive, staff needs to train on new industry conditions to increase the types of vehicles they can service. TGIF conducts specialty repairs for new aluminum body vehicles supported mainly by Direct Repair Programs which consists of several participating insurers. Manufacturers have specific certification requirements for technicians to be eligible to service their vehicles. The proposed plan includes the certification trainings required by vehicle manufactures.

The automotive collision repair industry experiences frequent changes to processes and materials as new model vehicles must meet Corporate Average Fuel Economy (CAFE) standards set by the U.S. federal government. CAFE standards are requiring a much higher level of fuel economy. To meet CAFE standards, manufacturers are reducing the weight of new vehicles by incorporating materials such as aluminum, ultra high strength steels, borons, and composites. These new materials and methods of vehicle construction require different methods of repair. Alternative fuel, hybrid technology and electric vehicles also require different repair methods. These changes create the need to re-tool the auto repair shop and retrain employees to handle repairs, and to provide accurate estimates. Industry specific training such as Inter-Industry Conference on Auto Collision Repair (ICAR) and Automotive Service Excellence are examples of training standard expectations set by insurance companies. Training in software systems and quality improvements are necessary to ensure consistency, timely reporting to insurance companies, and improved customer service.

Retrainee - Job Creation

TGIF will hire and train 3 new employees (Job Number 2). TGIF projects a 15% (2016-17) revenue growth from parts and automotive repair services. Increased business demand necessitates the hiring of new employees. TGIF has increased production shifts to accommodate new government contracts to service fleet vehicles for the City of Fremont. Due to rapid changes in the automotive industry, including the materials used in manufacturing cars, there are gaps in skills between graduating classes of automotive repair technicians and the actual work environment demands. Therefore, new employees are required to be trained on the job, which requires more intense hours of training. The newly-hired employees will work and train at TGIF's single Fremont location.

The date-of-hire for 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 the contract.

Training Plan

Training will be provided by in-house trainers and outside vendors in the following:

Business Skills - Training will be provided to Administrative Staff, Estimator and Manager. This training is necessary for employees to understand the sales and claims processes and to understand how their job function impacts the total customer experience. Topics such as Customer Care and Communications will be provided.

Commercial Skills - Training will be provided to Technicians, Estimators and Managers. Training will include maintenance, service, new vehicle technologies, aluminum, electric and hybrid repair, and extended ICAR certifications. ICAR includes sub-topics certifications for Honda, Mercedes, Lexus, BMW, Toyota, Ford, and other specific original equipment manufacturers. Sales Staff will need commercial skills training to understand the changes in manufacturing processes in order to be able to accurately estimate damages and create repair plans for the Technicians.

Computer Skills – This training will be delivered to all occupations. The collision industry has seen changes in how insurers and other partners exchange data. Direct Repair Programs require trainees to be knowledgeable on new processes and procedures. Computer Skills training will enable the Company to use IT systems to track costs; plan production; and, service flow while communicating with customers, potential customers and employees. Topics such as CCC One, and Mitchell software for client management and MS office will be provided. Estimators require computer skills training to efficiently complete work orders.

Continuous Improvement - Training will be provided to Technicians, Estimators, Administrative Staff and Managers to improve quality, cycle time, and cost efficiency by implementing Lean production and quality control processes. TGIF expects to increase efficiency by 15% with Continuous Improvement training. Topics such as Root Cause Analysis, Team-building, and Standard Operating Procedures will be provided.

Hazardous Materials – Training will be delivered to Estimators, Technicians and Managers. Training will cover hazardous materials handling and disposal. Toxic debris, waste, and other contaminated materials are often produced during automotive repair work. Training will give trainees the skills needed to manage materials encountered during collision repair and clean-up. This training is not regulated or certified safety training. Training topics such as Emergency Clean up, Volatile Organic Compound Tracking, and Completing Materials Safety Data Sheets will be provided.

Productive Laboratory

Trainees may produce goods for profit as part of PL training, in the courses identified under the Curriculum. Training will be at a 1:1 trainer-to-trainee ratio. The instructor must be dedicated to training delivery during all hours of training. A task competency list is on file.

Eight Technicians and Estimators will receive up to 24 hours of PL training. Newly-hired Technicians and Estimators will receive the most PL hours. An experienced trainer will explain the process and needed equipment and verify that the trainee understands standards and specifications. The trainer will observe the employee perform tasks, provide feedback, assist with re-work if necessary, and ensure that the task has been performed correctly and employee is proficient in the task.

PL allows the Company to fill the gap between classroom-based instruction and hands-on learning opportunities using real scenarios.

RECOMMENDATION

Staff recommends approval of this proposal.

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

8-60 Trainees may receive any of the following:

BUSINESS SKILLS

- Customer Care Skills
 - Customer Retention
 - Customer Engagement
 - Customer Relationship Building
- Advanced Sales & Marketing Skills
 - Prospecting & Closing
 - Sales Account Management
 - Advanced Closing Techniques
 - Sales Procedures & Strategies
- Negotiation Skills
- Conflict Resolution
- Communication Skills
- Presentation Skills

COMMERCIAL SKILLS

- I-CAR Collision Repair Certification Skills
- Refinishing Skills
 - Trim & Hardware
 - Surface Preparation
 - Vehicle Priming/Sealing
 - Paint Spray Guns Maintenance & Set-up
 - Corrosion Protection Process
 - Sand, Buff & Detail
 - Color Theory & Tints
 - Blending Techniques
 - New Technologies
- Structural Repair
 - Unibody Alignment
 - Three dimensional measuring
 - Repair & replacement of Outer Body Panels
 - High Strength Steels
 - Aluminum Repair Processes
 - MIG Welding Skills
 - Straightening Structural Damage
 - Glass Replacement
 - Pillars, rocker Panels, Rails, Front Structures & Floor Pan Replacement
 - Heating Cooling and AC Systems
 - Steering & Suspension Systems
 - Advanced Vehicle systems
- Non-Structural Vehicle Repair Skills
 - Remove & Install Trim & Hardware
 - Adhesive Bonding

- Diagnose Wind Noise & Water Leaks
- Aluminum Cosmetic Damage
- Spot Welding
- Estimating Skills
 - Steering & Suspension System Damage Analysis
 - Damage on non-drivable vehicles
 - Electrical/Mechanical Systems
 - Stationary glass
 - Advanced Materials
 - Advanced Vehicle Systems
- Vehicle Operation, Maintenance, & Troubleshooting
- Alternative Fuel & Hybrid Vehicle Repair Diagnostics
- Service Procedures & Scheduling
- Product Knowledge
- OEM (Original Equipment Manufacturer) Knowledge/Skills
- Tesla, Honda, Toyota, Lexus and BMW certification training

COMPUTER SKILLS

- CCCOneSoftware
 - Job Costing
 - Production Flow
 - Production Planning - ETA Times & Dates
 - Internal & External Customer Communication
- Michell & Michell Repair Center Software
- CCC Info Systems Software
- Alldata Software
- Microsoft Office Suite (intermediate)
- Quickbooks accounting

CONTINUOUS IMPROVEMENT

- Leadership Skills
- Teambuilding
- Root Cause Analysis
- Kaizen Event Strategy & Implementation
- Lean Concepts
- Process/Quality Improvement
- Problem Solving/Decision Making Skills
- Inventory Control
- Standard Operating Procedures

HAZARDOUS MATERIALS

- Volatile Organic Compound (VOC) Tracking
- Emergency Clean-up
- Registration, Evaluation, Authorization & Restriction of Chemical Substances
- Completing Material Safety Data Sheets (MSDS)

Productive Lab Hours (1:1 Trainer to Trainee Ratio)

0-24

Trainees may receive any of the following:

COMMERCIAL SKILLS

- Body filler methods
- Structural resistance spot welding
- Mig brazing techniques
- Disabling electric or hybrid vehicles
- Color Tinting
- Spraying/ blending techniques
- Measuring vehicle structures
- Alignment process for unitized Vehicles
- Alignment process for full frame vehicles
- Aluminum Repair
- Technical Estimating Skills
- Estimating DRP (Direct Repair Program) Skills
- Estimating System Software Skills

Note: Reimbursement for retraining is capped at 60 total training hours per trainee, regardless of the method of delivery. Productive Lab is capped at 24 hours per-trainee.