



## RETRAINEE - JOB CREATION

**Training Proposal for:**

**US Foodservice, Inc.**

**Agreement Number: ET16-0373**

**Panel Meeting of:** February 26, 2016

**ETP Regional Office:** North Hollywood

**Analyst:** M. Webb

### PROJECT PROFILE

Contract Attributes:	Retrainee Priority Rate Job Creation Initiative	Industry Sector(s):	Goods Movement Transportation/Logistics  Priority Industry: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Counties Served:	Los Angeles, Riverside, and San Diego County	Repeat Contractor:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Union(s):	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Teamsters Locals 87, 495, 542, 630, 848, 986		
Number of Employees in:	CA: 1,980	U.S.:24,500	Worldwide: 25,000
<u>Turnover Rate:</u>	13%		
<u>Managers/Supervisors:</u> (% of total trainees)	16%		

### FUNDING DETAIL

Program Costs	-	(Substantial Contribution)	(High Earner Reduction)	=	<b>Total ETP Funding</b>
\$351,300		\$0	\$0		\$351,300

In-Kind Contribution:	100% of Total ETP Funding Required	\$375,000
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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 Priority Rate	Business Skills, Commercial Skills, Computer Skills, Continuous Impr, Mfg Skills, OSHA 10/30	270	8-200	0	\$990	\$15.60
				Weighted Avg: 55			
2	Retrainee Job Creation Initiative	Business Skills, Commercial Skills, Computer Skills, Continuous Impr, Mfg Skills, OSHA 10/30	120	8-200	0	\$700	\$13.50
				Weighted Avg: 35			

**Minimum Wage by County:** Job Number 1: \$16.48 per hour for trainees in Los Angeles County; \$15.60 per hour for trainees in Riverside County; and \$16.46 per hour for trainees in San Diego County. Job Number 2: \$13.73 per hour for trainees in Los Angeles County; \$12.77 per hour for trainees in Riverside County; and \$13.72 per hour for trainees in San Diego 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 \$0.98 per hour may be used to meet the Post-Retention Wage for Job Numbers 1 and 2.

Wage Range by Occupation		
Occupation Titles	Wage Range	Estimated # of Trainees
<b>Job Number 1</b>		
Administrative/Support Staff		87
Technical Staff		60
Production Staff		75
Supervisors/Managers I		28
Supervisors/Managers II		20
<b>Job Number 2</b>		
Administrative/Support Staff		25
Technical Staff		35
Production Staff		45
Supervisors/Managers		15

## **INTRODUCTION**

Established in 1989, US Foodservice, Inc. (US Foods) ([www.usfoods.com](http://www.usfoods.com)) is a certified “green” assemble distribution operation that supplies over 350,000 national brand products alongside the company’s own private-label and signature brand items. Products include meats, produce, frozen foods, and restaurant equipment and supplies. US Foods includes divisions in Northern and Southern California and have more than 60 offices throughout the nation. Training under this Agreement will only include the Southern California Division for three locations (Corona, La Mirada, and Vista). This will be US Food’s third ETP Agreement.

## **PROJECT DETAILS**

In prior ETP Agreements, training topics focused on upgrades to the Company’s ERP system, a new mobile application, implementation of total quality management, a sales model update, and the launch of new product lines (Chef’s Line, Metro Deli, Molly’s Kitchen, etc.). Courses that were offered in prior Agreements will only be offered to staff that did not participate or complete training under prior Agreements. Courses include Marketing Strategies for Growth, Frontline Decision Making and Problem Solving, and Time Management and Performance Management.

US Foods is expanding to include new customers in industries such as school districts, universities, chain restaurants, and government agencies. Training is required as each industry has different requirements. For example, to work with school districts, staff must learn new food and dietary trends and train in topics like Nutritious Food Science and Food Safety. Training on Product Consistency Management will also ensure all products meet customer expectations and are of high quality and taste.

New technology and services will be added to all locations to meet customer demand. US Foods recently started offering its customers an online newsletter/information page called *The Scoop*. Customers can subscribe to the online newsletter. The newsletter highlights new food offerings, the latest equipment, new recipes, and creative ideas that can energize menus and increase sales. Training will expand publication knowledge and ensure the newsletter is up-to-date.

### **Retrainee - 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.

US Foods will be expanding business capacity by hiring 120 new employees at the Southern California Division locations (Job Number 2) to existing business functions to support the new technology and services. Occupations that will be hired under this Agreement include Administrative/Support Staff, Production Staff, Technical Staff, and Supervisors/Managers.

The date-of-hire for all trainees in Job Number 2 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**

Training will be delivered through Class/Lab and E-Learning methods.

**Business Skills (20%):** Training will be offered to all occupations to ensure staff continues to focus on product assessments and develop solid marketing strategies. Course titles to be delivered include Performance Management, Time Management, and Technical Writing.

**Commercial Skills (30%):** Training will be offered to all occupations. Employees will receive training in product handling, equipment operation, and new services.

**Computer Skills (15%):** Training will be offered to all occupations to ensure staff is up-to-date on computer software programs. Training in Microsoft Office, Averro, and Edge will improve employee skill set and increase efficiencies.

**Manufacturing Skills (17%):** Training will be offered to Production and Technical Staff to learn how to operate new equipment to produce US Foods products.

**Continuous Improvement (15%):** Training will be offered to all occupations to ensure they can identify issues and implement solutions in a timely manner. Course topics to be delivered will include Decision Making and Quality Systems for New Initiatives.

**OSHA 10/30 (3%):** Training will be offered to Production Staff and Supervisors/Managers to remain up-to-date on safety programs required at US Foods facilities. This training is a series of courses "bundled" by industry sector and occupation. It consists of 10 hours of classroom or CBT training for journey-level workers and 30 hours for frontline supervisors. The coursework is geared to construction work, and also manufacturing. Completion of the training results in a certificate that expands employment opportunities. The coursework must be approved by Cal-OSHA, and the instructors must be certified by Cal-OSHA.

### **Substantial Contribution**

Although the Company has earned over \$250,000 in the past five years, no single location has surpassed that amount. Therefore, US Foods is not subject to Substantial Contribution.

### **Commitment to Training**

US Foods spends approximately \$100,000 on training at each facility in the Southern California Division. Training delivered includes HR compliance trainings such as employee orientation, ethics training, basic skills training, and workplace awareness violence.

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

This project will be managed by one Human Resource Manager at each of the three locations. Staff will coordinate with department heads and supervisors to schedule training and collect ETP rosters. The company has also hired Sallyanne Monti Consulting as the third party administrator to perform administrative services under this Agreement.

### **Union Letters**

All union letters supporting this proposed training have been received and placed in the file.

### **RECOMMENDATION**

Staff recommends approval of this proposal.

**PRIOR PROJECTS**

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

Agreement No.	Location (City)	Term	Approved Amount	Payment Earned \$ %
ET14-0283	Corona, La Mirada, and Vista	02/03/14- 02/02/16	\$299,240	\$299,240 (100%)
ET13-0167	Livermore	10/08/12- 10/07/14	\$169,248	\$169,248 (100%)

**DEVELOPMENT SERVICES**

US Foods retained Sallyanne Monti Consulting in San Francisco to assist with development of this proposal for a flat fee of \$15,000.

**ADMINISTRATIVE SERVICES**

US Foods also retained Sallyanne Monti Consulting 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 and E-Learning Hours**

8-200

Trainees may receive any of the following:

#### **BUSINESS SKILLS**

- Leadership Development
- Marketing Strategies for Growth
- Performance Management
- Technical Writing
- Time Management

#### **COMMERCIAL SKILLS**

- New Industries
  - Chain Restaurants
    - Product Consistency Management
  - Government Agencies
    - Cost Analysis and Process Improvement and Food Safety Procedure
  - School Districts
    - Nutritious Food Science
  - Universities
    - Healthy Food & Dietary Trends
- New Services
  - The Scoop
    - Publication Management & Food Trends

#### **COMPUTER SKILLS**

- New Technology for Growth
  - Avero
  - Customer Cookbook
  - Edge
  - My Kitchens
  - Office 2007 Advanced
  - Precima for Pricing
  - Salesforce
  - Voxware Voice Command Inventory Picking
  - Windows 7
  - Xeta Communication Systems

#### **CONTINUOUS IMPROVEMENT**

- Decision Making and Problem Solving on the Frontline
- Quality Systems for New Initiatives

#### **MANUFACTURING SKILLS**

- Production Techniques for New Customers
  - Inventory Management
  - Process Management

- OSHA 10/30** (requires certified OSHA instructor)
- OSHA 10 (requires completion of 10 hours)
  - OSHA 30 (requires completion of 30 hours)

Safety Training cannot exceed 10% of total training hours per-trainee  
(This cap does not apply to Hazmat, OSHA 10/30 or HAZWOPER)

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



# TEAMSTERS LOCAL UNION 87

General Teamsters and Food Processing

Kern, Inyo & Mono Counties

Affiliated with the International Brotherhood of Teamsters

JOSEPH H. SUMLIN  
Secretary-Treasurer

Telephone (661) 327-8594  
Fax (661) 327-0931

2531 "G" Street  
Bakersfield, Calif. 93301

December 14, 2015

STATE OF CALIFORNIA  
EMPLOYMENT TRAINING PANEL

RE: ETP TRAINING FOR US FOODS

To Whom It May Concern:

This letter is to express our support of US Foods application for funding with the State of California Employment Training Panel.

We anticipate that this program will enable the company to upgrade employee skills. The company anticipates increased employee retention and product quality, enabling them to remain competitive while growing their business, leading to greater job creation and security.

This letter has been emailed to Marlene Grove, HR Business Partner, West Division for U.S. Foodservice via [marlene.grove@usfoods.com](mailto:marlene.grove@usfoods.com)

Sincerely,

Joseph H. Sumlin  
Secretary-Treasurer

JHS;lmc



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

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

GEORGE PARK  
*President*

December 15, 2015

State of California  
Employment Training Panel

**RE: ETP TRAINING FOR US FOODS**

To Whom It May Concern:

This letter is to express our support of U.S. Foodservice's application for funding with the State of California Employment Training panel.

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This letter has been emailed to Marlene Grove, HR Business Partner, West Division for US Foods via marlene.grove@usfoods.com.

Sincerely,

TEAMSTERS AUTOMOTIVE, INDUSTRIAL  
AND ALLIED WORKERS LOCAL NO. 495

Bob Lennox  
Secretary-Treasurer

BL:pl

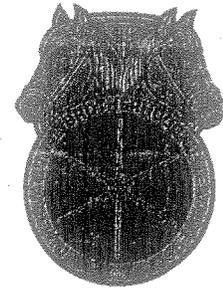
225 N. Barranca Street, 4th Floor • West Covina, CA 91791 • (626) 915-4954 • FAX (626) 915-5495  
Email: office@teamsters495.org • Website: www.teamsters495.org



**TEAMSTERS, CHAUFFEURS,  
WAREHOUSEMEN AND HELPERS  
LOCAL UNION No. 542**

San Diego and Imperial Counties, California  
and the City of Yuma, Arizona

Affiliated with  
**INTERNATIONAL BROTHERHOOD OF TEAMSTERS**



Jaime Vasquez  
*Secretary-Treasurer*  
Phillip Farias  
*President*  
Cliff Cunningham  
*Vice-President*  
Betsy Moreno  
*Recording Secretary*  
Ivan Murillo  
*Trustee*  
Jim Maclean  
*Trustee*  
Don Mack  
*Trustee*

December 16, 2015

State of California  
Employment Training Panel

Re: **ETP Training for U.S. Foods**

To Whom It May Concern:

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This letter has been emailed to Marlene Grove, HR Business Partner West Division for US Foods via [marlene.grove@usfoods.com](mailto:marlene.grove@usfoods.com).

Sincerely,

Jaime Vasquez  
Secretary-Treasurer  
Principal Officer  
Teamsters Local 542



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

ET16-0373

(213) 627-2178

Fax (213) 627-0846

## **Teamsters Local Union No. 630**

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

**LOU VILLALVAZO**  
SECRETARY-TREASURER

**FRANK AFOA**  
PRESIDENT

**JANUARY 6, 2016**

### **STATE OF CALIFORNIA EMPLOYMENT TRAINING PANEL**

#### **RE: ETP TRAINING FOR US FOODS**

To Whom It May Concern:

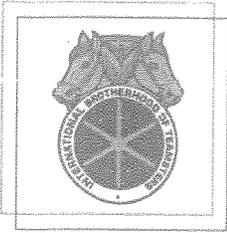
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This letter has been emailed to Marlene Grove, HR Business Partner, West Division for U.S. Foodservice via [marlene.grove@usfoods.com](mailto:marlene.grove@usfoods.com).

Sincerely,

Lou Villalvazo – Secretary-Treasurer



# Teamsters Local Union No. 848

Chartered in 1937

**ERIC TATE**  
SECRETARY-TREASURER

December 16, 2015

**STATE OF CALIFORNIA  
EMPLOYMENT TRAINING PANEL**

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Sincerely,

Gil Baltazar  
President/Business Representative  
Teamsters Local Union #848

cc: Marlene Grove, US Foods

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



CHRISTOPHER S. GRISWOLD  
Secretary-Treasurer

SEAN P. HARREN  
President

# TEAMSTERS LOCAL UNION NO. 986

AFFILIATED WITH THE INTERNATIONAL BROTHERHOOD OF TEAMSTERS

*General Teamsters, Airline, Aerospace and Allied Employees, Warehousemen, Drivers, Construction, Rock and Sand*



December 15, 2015

STATE OF CALIFORNIA  
EMPLOYMENT TRAINING PANEL

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Sincerely,

Chris Griswold  
Secretary-Treasurer

CG:ct

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Regional Office: 300 Shadow Lane • Las Vegas, NV 89106 • PHONE (702) 385-0995 • FAX (702) 385-4410  
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