



**Retrainee - Job Creation
Training Proposal for:
Ultra Pro International LLC**

Small Business ≤ \$50,000

ET15-0476

Approval Date: June 11, 2015

ETP Regional Office: North Hollywood **Analyst:** J. Romero

CONTRACTOR

- Type of Industry: Manufacturing
- Number of Full-Time Employees
 - California: 93
 - Worldwide: 93
 - Number to be trained: 97
 - Owner Yes No
- Out-of-State Competition: Competitors Outside CA
- Special Employment Training (SET): Yes No
- High Unemployment Area (HUA): Yes No
- Turnover Rate: 12%
- Repeat Contractor: Yes No

FUNDING

- Requested Amount: \$49,920
- In-Kind Contribution: \$99,715

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 HUA SB <100 Priority Rate | Business Skills, Computer Skills, Continuous Improvement, HazMat., Manufacturing Skills | 93 | 8-60 | 0 | \$520 | \$11.98 |
| | | | | Weighted Avg: 20 | | | |
| 2 | Job Creation HUA Priority Rate SB<100 | Business Skills, Computer Skills, Continuous Improvement, HazMat., Manufacturing Skills | 4 | 8-60 | 0 | \$390 | \$10.18 |
| | | | | Weighted Avg: 15 | | | |

- Reimbursement Rate: Job #s 1 & 2: \$26 SB Priority
- County(ies): Los Angeles
- Occupations to be Trained: Production Workers, Engineering, Administrative Staff, Supervisor/Manager
- Union Representation: Yes
 No
- Health Benefits: Job #1: \$1.80 per hour Job #2: \$0 per hour

SUBCONTRACTORS

- Development Services: Training Funding Source in Seal Beach assisted with development for a fee of \$4,900.
- Administrative Services: Training Funding Source will also provide administrative services for a flat fee not to exceed 13% of payment earned.
- Training Vendors: To Be Determined

OVERVIEW

Founded in 1952, Ultra Pro International LLC (Ultra Pro) is a family-owned company located in the City of Commerce. It is one of the leading manufacturers and suppliers of various storage solutions for photographs, photofinishing products and sports and gaming collectibles. Ultra Pro's products include albums, portfolios, deck boxes and protectors, scrapbooks, refill pages and chip holders. Ultra Pro's multimedia product line also features storage accessories for images, music and multimedia CDs. The Company sells its products through a network of distributors and retailers within and outside the United States, and offers online shopping and customer care services.

Ultra Pro has expanded its business into new markets in Latin America and Southeast Asia, and offers a different product mix than what is traditionally offered in the U.S. and Europe. The Company also expanded its sales network to key retailers like Amazon, Barnes & Noble and

Hot Topic, all of which have stringent product specification and servicing requirements. As part of its expansion efforts, the Company added several new product lines such as precision machined dice, glossy solid color card sleeves and high-end messenger bags.

These changes and business expansions require additional training to ensure that all functions, from production and quality assurance, to packaging and sales, will work cohesively and effectively.

Modifications

The 97 trainees in Job Number 1 and Job Number 2 work in the City of Commerce, a High Unemployment Area (HUA) in Los Angeles County, with unemployment exceeding the state average by 25%. The determination of HUA status is based on unemployment data from the Labor Market Information Division of the Employment Development Department.

The Panel may modify wages for HUA workers by up to 25% of the ETP Standard minimum wage. For this project, however, Ultra Pro is requesting a wage modification of 25% for Job Number 1 and 19% for Job Number 2 in order to serve workers in lower-wage occupations at these locations.

Training Plan

In the prior ETP Agreement, Ultra Pro's focus was on reconfiguring its production capabilities of gaming accessories, to allow them to shift production from overseas back to California. The Company was also focused on implementing sales procedures to better serve their customers and distributors. As a result, the Company has become more competitive with other manufacturers in the industry.

The training for this Agreement is focused on new requirements and processes the company must meet to accommodate Ultra Pro's most recent changes, improvements and expansion. These opportunities require new product handling & fulfillment procedures, quality inspection requirements and vendor management software. In addition, Ultra Pro is now branching out beyond gaming accessories, by offering shoulder bags, wall decorations and plush toys.

Training will start upon Panel approval and will be provided at Ultra Pro's facility in the City of Commerce by a combination of in-house staff and trainers, and outside vendors.

Business Skills (25%): This training will be offered to Engineering, Administrative Staff and Supervisors/Managers. The development of skills and knowledge in general business, business development and sales processes allows employees with differing job functions to understand and appreciate how their work product is used by others within the Company. This training empowers employees to format, package and present their work in a better way to reduce downtime and human error.

Computer Skills (20%): This training will be offered to Engineering, Administrative Staff and Supervisors/Managers. The effective use of computers and computer software is critical in our daily operations. Ultra Pro has developed an in-house sale, marketing, inventory, customer service and customer relations management software that is customized to the Company's processes and needs. These customizations are dynamic and changes several times per week based on employee requests and general input. Training is a continuous to ensure that employees remain current with the latest procedures and software to minimize downtime and redundant training.

Manufacturing Skills (25%): This training will be offered to Production Workers. In an effort to bring production back to the United States, Ultra Pro has continuously expanded and improved its manufacturing capabilities aiming for a faster turnaround time, higher rate of accuracy and better absorption of overhead costs. Trainees will develop new technical skills to keep pace with changes in product design and manufacturing processes. This will also provide the newly-hired employees with the skills to manufacture better quality products with higher accuracy.

Continuous Improvement (20%): This training will be offered to Engineering, Administrative Staff and Supervisors/Managers. As a manufacturer in a high-cost business environment, Ultrapro must strive to improve employees' efficiency and work effectiveness in order to remain competitive with out-of-state and international manufacturers. The training will enhance the level of output from each employee, while maintaining product quality and maximizing the production process.

Hazardous Materials (5%): This training will be provided to Production Workers, Engineering and Supervisors/Managers. This training will prepare employees to identify and read labeling of hazardous materials and have exposure awareness. The training will include identifying and reading information sheets containing the properties of chemicals that present a physical and environmental health hazard. Trainees will also learn protective measures and precautions for the handling and storage of hazardous materials.

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.

In this proposal, Ultra Pro has committed to hiring 4 new employees (Job Number 2) as needed for its business expansion in term of market range and new products lines. Ultra Pro represents that 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. The Company also represents that these trainees will be hired into "net new jobs" as a condition of contract.

RECOMMENDATION

Staff recommends approval of this proposal.

PRIOR PROJECTS

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

| Agreement No. | Location (City) | Term | Approved Amount | Payment Earned | |
|---------------|-----------------|-----------------------|-----------------|----------------|--------|
| | | | | \$ | % |
| ET13-0248 | Commerce | 12/18/12- 12/17/14 | \$99,320 | \$99,320 | (100%) |

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

8 - 60 Trainees may receive any of the following:

BUSINESS SKILLS

- Workplace Efficiency
- Interpersonal Skills
- Intra-company Communication
- Retail Sales Channel Development
- Sub-distribution Sales Channel Development
- Monthly Account Forecasting
- Custom Orders Sales Development
- Printed Products Timeline Management

COMPUTER SKILLS

- Vendor Portal System (Amazon)
- Trading Partner Mgmt System (Hot Topic)
- RetailLink (Walmart)

CONTINUOUS IMPROVEMENT

- New Product Standards
- In-line QC Time Reduction
- New Process Procedure

HAZARDOUS MATERIALS

- Hazardous Material Management
- Material Safety Data Sheet (MSDS) Process

MANUFACTURING SKILLS

- Efficient Shipping & Receiving Procedures
- Manufacturing Procedures
- Material Inspection Procedures
- New In-line QC Requirements
- Heat Roller Press Work Center Procedures

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