



**Training Proposal for:**

**VF Outdoor, LLC**

**Agreement Number: ET16-0388**

**Panel Meeting of:** March 25, 2016

**ETP Regional Office:** San Francisco Bay Area

**Analyst:** L. Lai

**PROJECT PROFILE**

Contract Attributes:	Retrainee Priority Rate	Industry Sector(s):	Manufacturing Transportation/Logistics Warehousing  Priority Industry: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Counties Served:	Alameda, Los Angeles, Orange, San Bernardino, San Diego, and Tulare	Repeat Contractor:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Union(s):	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
Number of Employees in:	CA: 5,500	U.S.: 26,449	Worldwide: 58,697
<u>Turnover Rate:</u>	12%		
<u>Managers/Supervisors:</u> (% of total trainees)	20%		

**FUNDING DETAIL**

Program Costs	-	(Substantial Contribution)	(High Earner Reduction)	=	<b>Total ETP Funding</b>
\$327,600		\$0	\$0		\$327,600

<b>In-Kind Contribution:</b>	<b>100% of Total ETP Funding Required</b>	<b>\$640,564</b>
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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, HazMat, OSHA 10	910	8-200	0	\$360	\$15.60
				Weighted Avg: 20			

**Minimum Wage by County:** \$17.02 for Alameda County; \$16.48 for Los Angeles County; \$16.51 for Orange County; \$16.46 for San Diego County; and \$15.60 for Tulare and San Bernardino Counties.

**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 \$1.42 per hour may be used to meet the Post-Retention Wage.

**Wage Range by Occupation**

Occupation Titles	Wage Range	Estimated # of Trainees
Accounting & Finance		17
Accounting & Finance II		9
Administrative & HR		58
Administrative & HR II		29
Distribution Staff		144
Maintenance Staff		41
Marketing Staff		67
Marketing Staff II		34
Operations Staff		105
Operations Staff II		43
Product Design, Development & Merchandising		120
Product Design, Development & Merchandising II		60
Managers & Supervisors		121
Managers & Supervisors II		62

**INTRODUCTION**

VF Outdoor, LLC (VF Outdoor) was founded in 2000. VF Outdoor manufactures outdoor apparel and gear for the active life. Brands include The North Face, Jansport, Eagle Creek, Timberland, Smartwool, Eastpak, Kipling, Lucy, Napapijri, Reef, and Vans. Customers include Dick's Sporting Goods, The Sports Authority, and other retail sporting goods and department store environments. VF Outdoor is a subsidiary of VF Corporation (VFC). VFC was founded in

1899 and headquartered in Greensboro, NC. It is a global company in the lifestyle apparel and footwear. Both participating subsidiary companies sell directly to consumers through VFC retail and online stores, and through their own retail stores. VF Outdoor will hold this contract to train its workers and workers of VF Contemporary Brands, Inc., also a subsidiary.

## **PROJECT DETAILS**

Business operations of both participating companies have been reviewed and employees surveyed to develop a comprehensive training program that improves processes, maximizes performance, and increases profitability.

The Companies also need to abide by the parent company's (VFC) sustainability initiatives to strive for zero waste and to lessen impact on the environment. Training will help the Companies meet these initiatives. Training will include redesigning packaging to reduce waste and using materials that are more environmentally friendly.

### **Training Plan**

This training will cover employees from nine facilities: VF Outdoors facilities in Alameda, Carlsbad, Cypress, Ontario, Santa Fe Springs, and Visalia; and VF Contemporary Brands, Inc. facilities in Los Angeles (2 facilities) and Vernon. Training will be delivered via Class/Lab and E-Learning by in-house trainers/subject-matter experts and, if the need arises, training vendors.

**Business Skills (60%):** This training will be offered to all occupations in topics such as communication skills, effective meetings, presentation skills and identifying customer needs. Training is intended to help employees manage projects more efficiently and improve communications with internal staff and external customers.

**Commercial Skills (1%)** – This training is offered to Maintenance Staff on electrical safety to prevent potential injuries from working on or near equipment or circuits that may be energized.

**Computer Skills (10%):** This training will be offered to all occupations in topics such as Adobe Illustrator and Photoshop, Rhino 3D, and Intermediate/Advanced Microsoft Office. Trainees will learn how to effectively use various software applications to design products.

**Continuous Improvement (25%):** This training will be offered to all occupations in topics such as process improvement/management, sustainability, teambuilding, and goal setting. Training will promote teamwork and improve processes to eliminate waste.

**Hazardous Materials (3%)** – This training will be offered to Distribution and Maintenance Staff to effectively handle hazardous materials and spills.

### **Certified Safety Training (1%)**

**OSHA 10.** 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. 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. This training will be provided to Distribution and Maintenance Staff.

## **Impact/Outcome**

The goal of the training is to provide employees with skills required to perform their jobs more effectively, improve operations, decrease waste, and increase consistent performance.

## **Commitment to Training**

VF Outdoor and VF Contemporary facilities each have a training budget ranging from \$2,000 to \$275,000, totaling approximately \$528K for all nine facilities in California. The training budget is used to provide new hire orientation, all required safety and compliance training, on-the-job training, and other topics, as needed.

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

The Director of Human Resources from VF Outdoor was heavily involved in the training and development efforts in the Nashville, TN location for several years and has over 10 years of experience in training. She will oversee and administer the ETP project and will have frequent communications and quarterly meetings with the Human Resource Managers at each of the nine locations listed. These HR Managers have been actively involved in the development of this proposal and understand they will be responsible for providing and tracking training included in this proposal and ensuring that the training plans are implemented. The Company's Administrative Assistant from the Alameda location will collect and store the original rosters from each training location. In addition, an administrative subcontractor will assist with compliance and recording of training hours into the ETP system.

## **High Unemployment Area**

Approximately 145 trainees work in Tulare County, a High Unemployment Area (HUA) with unemployment exceeding the state average by at least 25%. However, VF Outdoor is not asking for a wage modification.

## **RECOMMENDATION**

Staff recommends approval of this proposal.

## **DEVELOPMENT SERVICES**

VF Outdoor retained Tax Credit Co. in Los Angeles to assist with development of this proposal for a flat fee of \$3,500.

## **ADMINISTRATIVE SERVICES**

VF Outdoor also retained Tax Credit Co. to perform administrative services in connection with this proposal for a fee not to exceed 12% of payment earned.

## **TRAINING VENDORS**

To Be Determined

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

8 - 200

Trainees may receive any of the following:

**BUSINESS SKILLS**

- Business Writing
- Coaching
- Communication Skills
- Conflict Management
- Decision Making
- Effective Feedback
- Effective Meetings
- Finance Fundamentals
- Identifying Customer Needs
- Interpersonal Skills
- Leadership Skills
- Marketing Tools
- Merchandising Standard
- Motivation Skills
- Presentation Skills
- Pricing Strategies
- Problem Solving

**COMMERCIAL SKILLS**

- Electrical Safety

**COMPUTER SKILLS**

- Adobe Illustrator
- Adobe Photoshop
- Illustrator
- Intermediate/Advanced Microsoft Office
- Rhino 3D

**CONTINUOUS IMPROVEMENT**

- Goal Setting
- Process Improvement
- Project Management
- Scheduling Techniques
- Sustainability
- Teambuilding

**HAZARDOUS MATERIALS**

- Emergency Response
- Hazardous Materials Communication
- Lock Out Tag Out
- Spill Control

**OSHA**

- OSHA10

**E-Learning**

0-40

**BUSINESS SKILLS**

- Business Writing
- Coaching
- Communication Skills
- Conflict Management
- Decision Making
- Effective Meetings
- Finance Fundamental
- Interpersonal Skills
- Leadership Skills
- Motivation Skills
- Presentation Skills

**CONTINUOUS IMPROVEMENT**

- Project Management
- Teambuilding

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