



**Training Proposal for:
Vanguard Electronics Company**

Small Business \leq \$50,000

ET15-0265

Panel Meeting of: August 22, 2014

ETP Regional Office: San Diego

Analyst: J. Davey

CONTRACTOR

- Type of Industry: Aerospace and Defense
Manufacturing
Priority Industry: Yes No
- Number of Full-Time Employees
California: 46
Worldwide: 241
Number to be trained: 37
Owner Yes No
- Out-of-State Competition: NAICS Code Eligible
- Special Employment Training (SET): Yes No
- High Unemployment Area (HUA): Yes No
- Turnover Rate: 6%
- Repeat Contractor: Yes No

FUNDING

- Requested Amount: \$45,214
- In-Kind Contribution: \$59,136

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 SB <100	Computer Skills, Continuous Improvement, Manufacturing Skills	37	8-160	0	\$1,222	\$16.00
				Weighted Avg: 47			

- Reimbursement Rate: \$26 SB Priority
- County(ies): Orange
- Occupations to be Trained: Administrative Staff, Engineering Staff, Production Staff, Supervisor
- Union Representation: Yes
 No
- Health Benefits: N/A

SUBCONTRACTORS

- Development Services: Kirkpatrick Enterprises International (KEI), Valencia, assisted with development at no charge.
- Administrative Services: KEI will also provide administrative services for a fee not to exceed 13% of payment earned.
- Training Vendors: KEI will provide Continuous Improvement and Manufacturing Skills training.

OVERVIEW

Founded in 1952 and headquartered in Huntington Beach, Vanguard Electronics Company (Vanguard) manufactures space and military inductors and transformers. Vanguard’s custom products include power chokes, chip inductors, Radio Frequency magnetics/inductors, toroidal inductors, and high temperature inductors. Vanguard sells its products to Aerospace and Defense companies such as Boeing, Northrup, Eaton and others. All training will take place at its sole location in Huntington Beach facility.

Customers such as Boeing now demand that supplier companies provide their process capability index (CpK), a statistical measure of their manufacturing capability, to evaluate the supplier before awarding business. While Vanguard’s quality is very high, it must further improve manufacturing processes to achieve a CpK that will allow them to continue doing business with major aerospace manufacturers.

In order to achieve higher quality, Vanguard must increase worker skill through training in Manufacturing, Continuous Improvement, and Computer Skills.

Training Plan

Vanguard's workforce must increase its quality and responsiveness to its customers while maintaining and, in some cases, reducing the price of its products. Vanguard will provide class/lab training in the following skills:

Computer Skills - Training will be offered to Engineers in AutoCAD and Solidworks 3D. Vanguard is also implementing Visual Manufacturing software for manufacturing and process planning. Training will give workers the necessary skills to design and engineer high quality products.

Continuous Improvement - Training will be offered to Supervisors, Production, Engineering, and select Administrative Staff in Lean Manufacturing/Six Sigma, Total Productive Maintenance, Root Cause Analysis & Problem Solving, and Leadership Skills for frontline workers. Training in these skills will constitute 40% of the total training hours and will provide the skills to achieve a higher CpK to meet customer requirements.

Manufacturing Skills - Training will be offered to Production Staff in Soldering Techniques and Material Handling. Training will provide the skills needed to achieve higher productivity with improved quality to meet a higher CpK.

Training Hours Limitation

Retraining hours are capped at 60 per-trainee for Small Businesses. However, Vanguard is asking for a modification of the cap to 160 hours. Vanguard estimates that only a few employees (3-6) – Production Staff and Engineers – will receive 160 hours of training. These trainees are in important roles in the manufacturing process who need to achieve a higher skill levels. Most of the training will be Manufacturing and Continuous Improvement Skills, such as Soldering, Lean Manufacturing, Six Sigma, Total Productive Maintenance and Root Cause Analysis & Problem Solving.

RECOMMENDATION

Staff recommends approval of this proposal.

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

8 – 160 Trainees may receive any of the following:

COMPUTER SKILLS

- AutoCAD
- Solidworks 3D Modeling
- Visual Manufacturing Software

CONTINUOUS IMPROVEMENT SKILLS

- Lean Manufacturing/6 Sigma
- Total Productive Maintenance
- Root Cause Analysis & Problem Solving
- Leadership Skills for Frontline Workers

MANUFACTURING SKILLS

- Production Skills
 - Soldering
 - Material Handling

Safety Training is capped at 10% of a trainee's total training hours

Note: Reimbursement for retraining is capped at 160 total hours per-trainee, regardless of method of delivery.
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