



RETRAINEE - JOB CREATION

Training Proposal for:

Villara Corporation

Agreement Number: ET15-0459

Panel Meeting of: June 26, 2015

ETP Regional Office: Sacramento

Analyst: K. Smiley

PROJECT PROFILE

Contract Attributes:	Job Creation Initiative Priority Rate Retrainee HUA	Industry Sector(s):	Construction Priority Industry: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Counties Served:	Sacramento, Solano, Santa Clara, San Joaquin, Fresno	Repeat Contractor:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Union(s):	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
Number of Employees in:	CA: 600	U.S.: 600	Worldwide: 600
<u>Turnover Rate:</u>	19%		
<u>Managers/Supervisors:</u> (% of total trainees)	4%		

FUNDING DETAIL

Program Costs	-	(Substantial Contribution)	(High Earner Reduction)	=	Total ETP Funding
\$219,360		\$0	\$0		\$219,360

In-Kind Contribution:	100% of Total ETP Funding Required	\$249,100
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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, Manufacturing Skills, Literacy Skills, PL- Manufacturing Skills, PL- Commercial Skills	335	8-200	0-15	\$540	\$15.07
				Weighted Avg: 30			
2	Retrainee Job Creation Priority	Business Skills, Commercial Skills, Computer Skills, Manufacturing Skills, Literacy Skills, PL- Manufacturing Skills, PL- Commercial Skills	17	8-200	0-15	\$660	\$12.33
				Weighted Avg: 33			
3	Retrainee Job Creation Priority HUA	Business Skills, Commercial Skills, Computer Skills, Manufacturing Skills, Literacy Skills, PL- Manufacturing Skills, PL- Commercial Skills	11	8-200	0-15	\$660	*\$10.00
				Weighted Avg: 33			
4	Retrainee Priority HUA	Business Skills, Commercial Skills, Computer Skills, Manufacturing Skills, Literacy Skills, PL- Manufacturing Skills, PL- Commercial Skills	37	8-200	0-15	\$540	\$11.30
				Weighted Avg: 30			

* It will be made a condition of contract that the trainees in this Job Number will never be paid less than the statewide minimum wage rate as in effect at the end of retention (Final Payment) regardless of the wage expressed in this table.

Minimum Wage by County: **Job Number 1:** \$15.75 for Sacramento County, \$15.07 for Solano County, and \$16.44 for Santa Clara County; **Job Number 2:** \$12.33 for Solano County, \$13.13 for Sacramento County, and \$13.70 for Santa Clara County; **Job Number 3:** \$10.00 for San Joaquin and Fresno counties; and **Job Number 4:** \$11.30 for San Joaquin and Fresno 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

Job Numbers 1, 2 and 4 may use up to \$1.43 to meet the Post-Retention Wage.

Wage Range by Occupation		
Occupation Titles	Wage Range	Estimated # of Trainees
Job Number 1		
Field Installers		190
Plant Workers		105
Managers		18
Office Staff		22
Job Number 2		
Field Installer		10
Plant Worker		5
Office Staff		2
Job Number 3		
Field Installer		8
Plant Worker		2
Office Staff		1
Job Number 4		
Field Installer		15
Plant Worker		10
Office Staff		12

INTRODUCTION

Villara Corporation (Villara), formally Beutler Corporation, founded in 1947 and located in McClellan, is an HVAC contracting and sheet metal fabricating company. The Company provides renovation and new construction services for residential and commercial customers. In addition, Villara provides structured wiring, security systems, home theaters, central vacuums, plumbing, electrical, solar, and fire protection.

Villara's business model combines HVAC, plumbing, low-voltage wiring, solar photovoltaic, and electrical work skill sets. The model allows tasks that were previously completed separately to be completed simultaneously. This shortens project completion time, reduces conflict between trades, and reduces project cost.

Villara is eligible for standard retraining under the Out-of-State Competition Provisions for the design, manufacturing, and installation of custom and retail residential and commercial HVAC systems and units.

PROJECT DETAILS

In 2010, Villara entered into their first Agreement with ETP to provide training in green technology production. Villara expanded into a new market which included manufacturing and installation of a flash evaporative pre-cooler device known as FlashCool and Solar Panels. Trainees received training in manufacturing and installation of these new products.

In 2014, Villara began a second Agreement with ETP that focused on upgrading incumbent workers skills. The training included installation of HVAC, Digital Home systems, and testing of Home Energy Rating System (HERS). The training focused on increasing Field Installers skill sets in both commercial and residential construction.

This proposal is intended to build upon the previously offered training. Villara will offer training that was provided in the previous agreement to newly hired trainees and to incumbent staff that did not receive this training in the previous contract. Villara will train Plant Workers, Clerical Staff and Managers.

Villara purchased and installed a 3D printer and a Plasma Arc Metal Cutting Machine in March of 2015, to increase production and stay competitive within the industry. Villara will train Clerical Staff and Management in two recently purchased and installed computer programs. Villara has purchased SalesForce Customer Relations Management (CRM) software and Systems, Applications & Products in Data Processing (SAP) software. These programs will increase customer satisfaction and increase productivity.

Training Plan

Business Skills (5%): Training will be provided to Clerical Staff and Managers to enhance project management skills and increase customer satisfaction. Topics will include Project Management, Customer Service and “Soft Skills” Dealing with Difficult People.

Commercial Skills (50%): Training will be provided to Plant Workers, Field Installers and Managers to improve production, safety and expand trainee’s skill sets. Topics will include HVAC Installation, Solar Installation, Plumbing and Servicing Digital Homes.

Computer Skills (15%): Training will be provided to all staff to increase company sales and customer satisfaction. Training topics will include Salesforce CRM, Access and SAP.

Manufacturing Skills (25%): Training will be provided to Field Installers, Plant Workers and Managers to improve facility operations. Training topics will include, 3D Printer, Metal Fabrication and Breaking Metal.

Literacy Skills (5%): Training will be provided to staff in need of literacy training. This training will enhance employee communication.

Retrainee - Job Creation

In support of 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.

Villara has committed to hiring 28 new employees (Job Numbers 2&3). 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. Trainees will be hired into "net new jobs" as a condition of contract.

In March of 2015, Villara purchased and installed two new pieces of machinery: a 3D printer and a Plasma Arc Metal Cutting Machine. This machinery will allow Villara to manufacture more of the products that they would normally purchase from a vendor. This machinery will also allow Villara to expand production capacity in the manufacturing division. Villara will be adding production shifts to accommodate the new machinery and production.

Villara revenue is expected to grow by 15% the next year due to an increase in secured contracts. In order for Villara to meet this demand, they will need to hire and train new staff.

Productive Laboratory

Trainees may produce goods for profit as part of the PL training in the courses identified under the Curriculum. The instructor will be dedicated to training delivery during all hours of training.

Villara is requesting Commercial and Manufacturing Skills Productive Lab (PL) training for 28 trainees due to newly installed machinery and the inability to create a field work environment in a class lab setting. Plant Workers will receive PL training on 3D Printers, Plasma Arc Metal Cutting Machine, and Sheet Metal brakes. This is technical equipment that will require in-depth training for trainees to become proficient.

Villara is also requesting PL training for its Field Installers. This training will include HVAC Installation and Maintenance, Digital Homes, Solar Installation and Commercial Services. The environment in which these Field Installers complete their work cannot be recreated in a class lab environment.

The Commercial Skills PL training is projected to reduce installation and maintenance time by 50%. The Manufacturing Skills PL training is projected to reduce production by 25-50%. Villara will maintain a 1:3 trainer-to-trainee ratio. Villara is requesting a ratio of 1:3 because trainees work in groups when on the job site.

Commitment to Training

Villara represents that 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.

Villara invests \$129,000 annually per facility for training. Training includes HVAC Training, Management Training, Computer Training, Module Training for Plumbing, Solar, Digital Homes, Residential and Multi-Family HVAC, Service, Customer Service, Warehouse and Manufacturing. This training is company-wide, job specific and mandatory for all employees.

Villara has a detailed training plan and trainers familiar with ETP record keeping. In Addition, Villara has three staff members dedicated to monitoring this project.

High Unemployment Area

The 48 trainees in Job Numbers 3 and 4 work in a High Unemployment Area (HUA), regions with unemployment exceeding the state average by at least 25%. The Company has requested the HUA wage for the 48 trainees in Job Numbers 3 and 4. The Company's locations in San Joaquin and Fresno counties qualify for HUA status under these standards.

➤ Wage Modification

For these trainees, the Panel may modify the ETP Minimum Wage by up to 25% if post-retention wages exceed the start-of-training wages.

Impact/Outcome

Villara's hopes training will improve efficiency and production among incumbent workers. They also anticipate trainees will master the newly installed machinery which will allow Villara to expand and grow.

RECOMMENDATION

Staff recommends approval of this proposal.

ACTIVE PROJECTS

The following table summarizes performance by Villara under an active ETP Agreement:

Agreement No.	Approved Amount	Term	No. Trainees (Estimated)	No. Completed Training	No. Retained
ET14-0372	\$12,960	6/01/2014-5/30/2016	30	29	29

Based on ETP Systems, 696 reimbursable hours have been tracked for potential earnings of \$15,528 (97% of approved amount). All trainees are currently in retention.

PRIOR PROJECTS

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

Agreement No.	Location (City)	Term	Approved Amount	Payment Earned \$ %
ET10-0265	McClellan	12/31/2009-12/30/2011	\$74,880	\$13,230 (18%)

During this Agreement, Villara expanded into a market that included manufacturing and installation of green products. This was a high-cost product line that did not sell well during the economic downturn. Due to the economic downturn and Villara's decision to forgo the customized training under ET10-0265 in exchange for funding through the Sacramento Employment Training Agency, the agreement was unsuccessful.

DEVELOPMENT SERVICES

N/A

ADMINISTRATIVE SERVICES

N/A

TRAINING VENDORS

To Be Determined

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

8-200 Trainees may receive any of the following:

BUSINESS SKILLS

- Project Management
- “Soft Skills” Dealing with Difficult People
- Customer Service

COMMERCIAL SKILLS

- Servicing Digital Homes
- Commercial Service
- Commercial & Multi-Family New Construction
- HVAC Installation and Maintenance
- Plant Operations
- Plumbing
- Retrofit Multi-Family
- Service & HERS Testing
- Solar Installation

COMPUTER SKILLS

- Microsoft Excel
- Microsoft Word
- Microsoft Outlook
- Access
- Systems, Applications & Products in Data Processing (SAP)
- Salesforce Customer Relations Management (CRM)

MANUFACTURING SKILLS

- 3D Printer
- Plasma Cutter
- Metal Fabrication
- Duct Board Fabrication
- Tri-Fab Fabrication
- Soldering
- Breaking Metal

LITERACY SKILLS

- English as Second Language

Literacy Training cannot exceed 45% of total training hours per-trainee

Productive Lab Hours

0-60 Trainees may receive any of the following:

MANUFACTURING SKILLS (limited ratio 1:3)

- 3D Printer
- Plasma Cutter

- Metal Fabrication
- Duct Board Fabrication
- Tri-Fab Fabrication
- Soldering
- Breaking Metal

COMMERCIAL SKILLS (limited ratio 1:3)

- Servicing Digital Homes
- Commercial Service
- Commercial & Multi-Family New Construction
- HVAC Installation and Maintenance
- Plant Operations
- Plumbing
- Retrofit Multi-Family
- Service & HERS Testing
- Solar Installation

CBT Hours

0-15 Trainees may receive any of the following:

COMPUTER SKILLS

- | | |
|---|---------|
| • Access (2) | (1hour) |
| • Access (3) | (1hour) |
| • Excel (2) | (1hour) |
| • Excel (3) | (1hour) |
| • Outlook (2) | (1hour) |
| • Outlook (3) | (1hour) |
| • Power point (2) | (1hour) |
| • Power point (3) | (1hour) |
| • Word (2) | (1hour) |
| • Word (3) | (1hour) |
| • Excel 2010 Charts | (1hour) |
| • Excel 2010 Formulas and Functions | (1hour) |
| • Excel 2010 PivotTables | (1hour) |
| • Microsoft Office 2010 Macros | (1hour) |
| • Microsoft Office 2010 Shortcuts, Tips, and Tricks | (1hour) |

Note: Reimbursement for retraining is capped at 200 total training hours per trainee, regardless of the method of delivery. CBT is capped at 50% of total training hours, per trainee. PL is capped at 60 hours per-trainee.