



## RETRAINEE - JOB CREATION

### Training Proposal for:

## Walter Anderson Plumbing, Inc. dba Anderson Plumbing Heating and Air Conditioning, Inc.

**Agreement Number: ET17-0104**

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

**ETP Regional Office:** San Diego

**Analyst:** J. Davey

### PROJECT PROFILE

Contract Attributes:	Priority Rate Retrainee Job Creation Initiative Veterans	Industry Sector(s):	Services Construction  Priority Industry: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Counties Served:	San Diego	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: 156	U.S.: 156	Worldwide: 156
<u>Turnover Rate:</u>	18%		
<u>Managers/Supervisors:</u> (% of total trainees)	10%		

### FUNDING DETAIL

<table border="1" style="width: 100%; border-collapse: collapse;"> <tr><td style="text-align: center;">Program Costs</td></tr> <tr><td style="text-align: center;">\$375,120</td></tr> </table>	Program Costs	\$375,120	-	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="text-align: center;">(Substantial Contribution)</td> <td style="text-align: center;">(High Earner Reduction)</td> </tr> <tr> <td style="text-align: center;">\$0</td> <td style="text-align: center;">\$0</td> </tr> </table>	(Substantial Contribution)	(High Earner Reduction)	\$0	\$0	=	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr><td style="text-align: center;"><b>Total ETP Funding</b></td></tr> <tr><td style="text-align: center;">\$375,120</td></tr> </table>	<b>Total ETP Funding</b>	\$375,120
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<b>In-Kind Contribution:</b>	100% of Total ETP Funding Required	\$434,466
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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, Computer Skills, Comm'l Skills, Cont. Imp., HazMat, PL-Comm'l Skills	148	8-200	0	\$1,440	*\$16.46
				Weighted Avg: 80			
2	Retrainee Priority Rate Job Creation	Business Skills, Computer Skills, Comm'l Skills, Cont. Imp., HazMat, PL-Comm'l Skills	40	8-200	0	\$2,400	*\$13.72
				Weighted Avg: 120			
3	Retrainee Priority Rate Veteran Job Creation	Business Skills, Computer Skills, Comm'l Skills, Cont. Imp., HazMat, PL-Comm'l Skills	25	8-200	0	\$2,640	*\$13.72
				Weighted Avg: 120			

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

**Minimum Wage by County:** Job Number 1: \$16.46 per hour in San Diego County; Job Number 2 (Job Creation): \$13.72 per hour in San Diego County; Job Number 3 (Veteran): \$13.72 per hour 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 \$1.46 per hour may be used to meet the Post-Retention Wage in Job Number 1 and up to \$1.72 per hour in Job Numbers 2 & 3.

Wage Range by Occupation		
Occupation Titles	Wage Range	Estimated # of Trainees
<b>Job Number 1</b>		
Administrative Support Staff		14
Customer Service Staff/Dispatch		14
Service Technician/Installer		61
Sales Staff		26
Sr. Service Technician/Installer		18
Supervisor/Manager		15

<b>Job Number 2 - Job Creation</b>		
Administrative Support Staff		5
Customer Service/Dispatch Staff		5
Service Technician/Installer		15
Sales Staff		6
Sr. Service Technician/Installer		4
Supervisor/Manager		5
<b>Job Number 3 - Veteran</b>		
Administrative Support Staff		2
Customer Service/Dispatch Staff		2
Service Technician/Installer		15
Sales Staff		2
Sr. Service Technician/Installer		2
Supervisor/Manager		2

## **INTRODUCTION**

Founded in 1978 and headquartered in El Cajon, Walter Anderson Plumbing, Inc. dba Anderson Plumbing Heating And Air Conditioning, Inc. (Anderson PHA) installs, repairs and services HVAC systems and plumbing to residential homes in San Diego, Imperial, Orange and Riverside counties. The Company recently added glass shower door installation to its list of services.

California building code (Title 24) requires an overall increase in energy efficiency levels of 25% above the standards set in 2008. New coolant, ventilation and duct systems have been developed as needed to meet these standards. These "Smart Systems" are a major and growing component of Anderson PHA's services. In addition to Smart Systems, Anderson PHA works with "Nano Air" systems that use nanotechnology to eliminate the common refrigerants such as fluorocarbons. This technology cuts the carbon footprint by 50%; and reduces toxic CO<sub>2</sub> emissions by almost 60%.

At the same time that the Company must meet new technological and regulatory requirements, it is faced with a shortage of trained Technicians. Therefore, Anderson PHA began its own training program to provide the most recent skills.

## **PROJECT DETAILS**

### **Retrainee - Job Creation**

Anderson PHA has committed to hiring 65 new employees (Job Numbers 2 & 3). The Company represents that the date-of-hire for these trainees 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.

Anderson PHA has experienced substantial growth in the past two years up to 26%. The fourth quarter of 2015 saw a 70% overall growth in HVAC and 11% in plumbing. As such, Anderson

PHA is moving into a 24,000 sq. ft. building to facilitate additional personnel, an extensive on-site training facility, and extended insulation services as well as the new glass segment.

Anderson PHA expects 25% growth in 2016, with a similar continuation in 2017. All told, the Company has plans to hire 120 net new employees in the next year, of which 65 will participate in ETP-funded training.

### **Veterans Program**

Anderson PHA has developed a recruitment campaign specifically aimed at attracting Veterans. The Company collaborates with "Hire a Vet", a local organization that aids in placing local veterans into good jobs. In the San Diego area, a large military and veteran population exists. As part of Job Creation, Anderson PHA plans to hire 25 Veterans as net new hires within the next 12 months. The Panel has established a higher reimbursement rate of \$22 per hour for training California veterans, which applies here.

### **Training Plan**

Training will be provided at the company's El Cajon headquarters and at customer locations (PL-Commercial Skills) as follows:

**Business Skills (20%):** Training will be offered to all occupations. Administration and Customer Service/Dispatch Staff need training in customer service, dispatch procedures, and communication skills. Sales and Technical Staff will be trained in intermediate and advanced sales procedure, conflict management, and presentation and negotiation skills. Service Technicians/Installers also require training because they interface directly with customers. Training will also include changes in the requirements of Title 24. Supervisors/Managers will also receive training in these areas as needed.

**Commercial Skills (20%):** Training will be offered to Service Technicians/Installers, Sales Staff, and Supervisor/Managers in the technology and methodology for installing and servicing the changes pursuant to Title 24 energy efficiency guidelines, including Mini-Splits, inverter technology, smart systems, whole home efficiency, insulating and ventilating factors. In addition, Sales Staff will also be trained in these new technologies to for baseline knowledge necessary to facilitate proper sales and code recommendations, and advising customers. Plumbing and Glass Service Technicians/Installers will be trained in residential plumbing and glass applications respectively. Supervisors/Managers will also receive training in these areas as needed.

**Computer Skills (5%):** Training will be offered to all occupations in Successware relative to their job duties. Administrative Support Staff will be trained in advanced MS Office software suite. Sales and Field Service Technicians/Installers will be trained in computer research methods to ascertain code parameters with regard to building codes. Supervisors/Managers will also receive training in these areas as needed.

**Continuous Improvement (20%):** Training will be offered to all occupations in an effort to improve the overall operational efficiency of the business, improve quality control, build effective teams across company silos and build in problem analysis.

**Hazardous Materials (5%):** Field Service Technicians and Sales Staff will receive training in Hazardous Waste/Materials to ensure appropriate response to hazardous waste spills on the worksite or in transit. This training is highly technical and meets all industry and OSHA governmental standards.

This training is also a series of courses, specific to industry sectors involved in the transport of hazardous materials. The coursework varies in length depending on the industry and the occupational title, as organized in five levels ranging from “first responder” to “incident commander.” It is generally a minimum of 24 hours with an 8-hour annual refresher, and may be delivered by classroom or CBT. In this proposal, Service Technicians will receive training as needed. No specific number of hours has been determined and no certificate will be received at the completion of training.

**Productive Laboratory (30%):** The Panel adopted regulations to authorize reimbursement for training delivered in a Productive Laboratory (PL) setting. PL trainees may produce goods for profit as part of the training in the courses identified under the Curriculum. The instructor must be dedicated to training delivery during all hours of training, and special attendance rosters will be used to assist in monitoring.

Training in PL – Commercial Skills will be provided to all Service Technicians/Installers. These occupations will receive a maximum of 60 hours of PL training to deepen and solidify classroom learning, provide specific job site examples on a real time basis that are not easily replicated in a classroom lab environment. Most of the trainees receiving 60 hours will be newly-hired retrainees in Job Numbers 2 & 3 and lower-skilled incumbents in Job Number 1.

PL training will focus on Service Technicians/Installers who need hands-on skills to service and install new energy-efficient HVAC equipment. Skills in the curriculum will be basic, intermediate and advance HVAC and or plumbing installations, systems repair and diagnosis. Trainers will review entire process with the student, discuss both safety and code requirements, demonstrate the use of necessary tools and or equipment, demonstrate how to complete the task, observe the student complete the task, coach the student and correct deficiencies, assess progress and make note of any further training necessary to ensure students, competence, and when competent mark the students training file.

Additionally, Sales Staff will receive up to 10 hours PL to learn how systems are built and how to estimate installation requirements and costs. All PL training will have a maximum ratio of 1:3, but is typically either 1:1 or 1:2. In some cases, trainees will be in groups of 2 or 3 trainees because they work in teams on the job installing or repairing HVAC systems. Training these small teams in PL on the job is a necessity based on the way work is actually performed at customer sites.

Instructors are dedicated to training delivery during all hours of training. Plumbing PL training will include specific job site examples not easily replicated in the class/lab environment and will incorporate basic, intermediate and advanced plumbing skills. Glass installation skills will be included in PL based on the same rationale as HVAC and plumbing. Measurement markers will constitute an increase in both competency and proficiency in critical job skills in both HVAC and plumbing.

### **Commitment to Training**

Anderson PHA spends \$397,000 in training costs annually. Anderson PHA documented delivery of over 11,500 training hours last year. In addition, some subject matter experts have been incorporated at a cost of \$78,000 to the Company, with training focused on heat exchanger systems. The Company employs four full time trainers. With the recent addition of plumbing and glass, two additional trainers have been incorporated to deploy training in those categories. Additionally there are four other employees trained to administer training in high peak training season.

Anderson PHA represents that ETP funds will not displace the existing financial commitment to training. Safety training is provided in accordance with all pertinent requirements under state and federal law.

➤ **Training Infrastructure**

Anderson PHA has an HR Director and two Administrative Staff to schedule training and be available to meet with ETP staff. Anderson PHA has also employed a third party administrator with two full time associates to input training hours and ensure compliance, who will work in collaboration with Anderson PHA staff to oversee training plans and performance.

**RECOMMENDATION**

Staff recommends approval of this proposal.

**DEVELOPMENT SERVICES**

Synergy Management Consultants (Synergy) in Grass Valley assisted with development of this proposal for a flat fee of \$38,000. Synergy has provided project development services including curriculum, training plans, and other services that will enable the Company to reach its strategic objectives with training.

**ADMINISTRATIVE SERVICES**

Synergy will also perform administrative services for a fee not to exceed 13% 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**

- Sales Procedures & Strategies
- Communication Skills
- Customer Needs Assessment & Relationship Building
- Customer Service Skills
- Maintenance/Membership Programs
- Negotiation Skills
- Conflict Management
- Marketing
- Presentation Skills
- Dispatch Procedures
- Equipment and Industry Overview
- HVAC Product Knowledge for Non-Technicians
- Plumbing Product Knowledge for Non-Technicians
- Product Knowledge/Offerings
- Finance/Accounting Skills
- Business Acumen for Leaders
- Logistics Skills

**COMMERCIAL SKILLS****HVAC:**

- Thermal Dynamics
- Switches & Electrical Components
- Heat Pump Systems
- Air Conditioning Systems
- Metering Devices
- System Controls/Smart System Controllers
- Motors
- Inverter Motors
- Digital Tools
- Wiring
- Thermostats
- Wireless Technologies/Controls
- Tune-Up Procedures
- Field Tools/Gauges
- Digital Tools Gauges
- Air Quality Diagnostics and Methodologies
- Inverter Technology
- Ventilation Systems
- Barriers Methodologies
- Fundamentals of Solar Technology
- Insulating Methodologies
- Residential Indoor Air Quality/Testing
- Maintenance Parts/Supplies—Inventory Management

**Plumbing:**

- Plumbing Safety
- Basic Tools
- Specialized Tools
- Drawings/Plans
- Pipes and Fittings Including Install
- Compression Fittings
- Fixtures and Faucets Including Install
- Disposals
- Drains-Roof/Floor and Area
- Valves
- Water Heaters
- On Demand Hot Water Systems
- Pipes and Supply Lines
- Gas and Fuel Systems
- Back Flow Systems
- Sewage and Pump Systems
- Venting
- Water Pressure Booster and Recirc Systems
- Water Supply Treatment Systems
- Plumbing for Mobile Homes
- Diagnostics
- Septic Systems
- Video Inspection
- Trenchless Replacements
- Plumbing Code

**Glass Installation:**

- Glass Materials
- Diagnostics, Measuring
- Cutting Tools
- Cutting and Handling glass
- Metal Sash
- Mirrors, Shower Doors, Tub Enclosures
- Safety Glass Procedures
- Sealants
- Residential Glass Code
- Remodel Replacement
- Encapsulated Glass Procedures
- Glass Layout
- Building Design
- Title 24 Standards

**COMPUTER SKILLS**

- Successware (proprietary HVAC management software)
- Regulatory Code Research Techniques
- Payment Card Certification
- Tablet Computer Applications
- VOIP

**CONTINUOUS IMPROVEMENT**

- Leadership Skills
- High performance Team Building
- Change Management Skills
- Root Cause Analysis
- Problem Solving Skills
- Quality Control/Systems
- Project Management Skills
- Logistics Efficiency
- Kaizen Event Strategy and Implementation
- Lean Concepts
- Time Management Skills

**HAZARDOUS MATERIALS**

- Coolant Systems-Evac and Weigh-In Procedures
- Handling Hazardous Materials
- HazMat Safety
- Completing Material Safety Data Sheets
- Emergency Response and Clean-Up
- Registration, Eval, Authorization & Restriction of Chemical Substances

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

**PL Hours**

0 – 60

**COMMERCIAL SKILLS (Ratio 1:3)**

- Thermal Dynamics
- Switches and Electrical Components
- Heat Pump Systems
- Air Conditioning Systems
- Metering Devices
- System Controls/Smart System Controllers
- Motors
- Whole Home Fans
- Inverter Type Systems
- Digital Tools
- Wiring
- Thermostats
- Tune-Up Procedures
- Air Quality Diagnostics and Methodologies
- Ventilation Systems
- Barriers Methodologies
- Diagnostics
- Pipes and Fittings (Plastic) Including Install
- Copper Pipe and Fittings
- Cast Iron Pipe and Fittings
- Corrugated Stainless Steel Tubing

- Fixtures and Faucets Including Install
- Disposals
- Drains-Roof/Floor and Area
- Valves
- Water Heaters
- On Demand Hot Water Systems
- Pipes and Supply Lines
- Gas and Fuel Systems
- Back Flow Systems
- Sewage and Pump Systems
- Locating Buried Water and Sewer Lines
- Venting
- Water Pressure Booster and Recirc Systems
- Water Supply Treatment Systems
- Plumbing for Mobile Homes
- Septic Systems
- Video Inspection
- Trenchless Replacements
- Glass Materials
- Diagnostics, Measuring
- Cutting Tools
- Cutting and Handling Glass
- Metal Sash
- Mirrors, Shower Doors, Tub Enclosures
- Safety Glass Procedures
- Sealants
- Residential Glass Code
- Remodel Replacement

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