

DELEGATION ORDER



**Retrainee - Job Creation
Training Proposal for:
W. Banks Moore, Inc.**

Small Business ≤ \$50,000

ET16-0236

Approval Date: October 7, 2015

ETP Regional Office: Sacramento

Analyst: K. Smiley

CONTRACTOR

- Type of Industry: Construction
Services
Priority Industry: Yes No
- Number of Full-Time Employees
California: 39
Worldwide: 39
Number to be trained: 38
Owner Yes No
- Out-of-State Competition: No OSC
- Special Employment Training (SET): Yes No
- High Unemployment Area (HUA): Yes No
- Turnover Rate: 10%
- Repeat Contractor: Yes No

FUNDING

- Requested Amount: \$49,400
- In-Kind Contribution: \$50,000

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 SET	Business Skills, Commercial Skills, Computer Skills, Continuous Improvement, OSHA 10/30, PL-Commercial Skills	21	8-60 Weighted Avg: 50	0	\$1,300	\$15.07
2	Retrainee Priority Rate SB <100 SET HUA	Business Skills, Commercial Skills, Computer Skills, Continuous Improvement, OSHA 10, PL-Commercial Skills	14	8-60 Weighted Avg: 50	0	\$1,300	\$11.30
3	Retrainee Priority Rate Job Creation SB<100 SET HUA	Business Skills, Commercial Skills, Computer Skills, Continuous Improvement, OSHA 10, PL-Commercial Skills	3	8-60 Weighted Avg: 50	0	\$1,300	\$12.25

- Reimbursement Rate: Job #s 1-3: \$26 SB Priority
- County(ies): Fresno
- Occupations to be Trained: Administrative Worker, Customer Service Representative, Sales Representatives, Service Technician, Warehouse Worker, Service Tester, Construction Worker, Manager, Owner
- Union Representation: Yes
 No
- Health Benefits: Job #'s 1-3: \$1.25 per hour

SUBCONTRACTORS

- Development Services: Strategic Business Solutions, LLC of Visalia assisted with development for a flat fee of \$2,200
- Administrative Services: Strategic Business Solutions, LLC will also provide administrative services for a fee not to exceed 13% of payment earned.
- Training Vendors: To be Determined

OVERVIEW

Founded in 1979, W. Banks Moore, Inc. (Banks) (www.banks-co.com) distributes, installs, and repairs fuel-dispensing systems and automated car wash systems throughout California's Central Valley. Banks' customers include gas stations, convenience stores, and automated car wash facilities.

PROJECT DETAILS

This will be Banks' third ETP Agreement within the last five years. Banks' first Agreement provided training in newly purchased equipment including, Excavators, Backhoe's, and Bobcat Loaders. This training and new equipment was intricate, and crucial to Banks ability to compete with larger companies and enhance trainees skill sets. The previous ETP Agreement focused on phase 1 of LEAN processes in order to improve their internal procedures. The course topics were designed to improve efficiency, increase capacity and to reduce waste. This allowed Banks to become more effective and competent within the construction field.

Under this proposal, banks will train incumbent staff on the Company's new Point of Sales (POS) System which will include installation and maintenance of this new program. This new software is necessary as all credit card companies will be required to implant a Radio Frequency Identification (RFID) chip in the credit cards they issue, by October 2015. This new credit card industry standard will require banks to update their fuel dispensing equipment to all their clients. Completing this transition will require new and incumbent staff to receive training in this new process.

Banks is also beginning phase II of their LEAN manufacturing training plan. The second phase of LEAN manufacturing will build upon the training received under the first phase. Phase II will focus on process changes, measuring results, and other advanced modules regarding the transformation of an organization through LEAN applications.

Training Plan

Trainees will receive a combination of classroom/laboratory and E-Learning training ranging between 0-60 hours and Productive Laboratory (PL) training ranging between 0-12 hours.

Business Skills: Job specific training will be delivered to all occupations to improve communications, critical thinking and customer service skills. Courses will include Account Development, Project Management, and Purchasing Best Practices.

Commercial Skills: Job specific training will be delivered to all occupations to implement the new RFID chip process and stay current with credit card industry standards and regulations. Courses will include Fuel Dispensing Systems Installation/Repair, Point of Sales System Installation/Repair, and Automated Car Wash Systems Installation/Repair.

Computer Skills: Job specific training will be delivered to all occupations to enhance competencies in Microsoft applications and their POS Software. Staff will receive training on software programs that are unique to their position to improve knowledge and processing efficiency. Courses will include Gilbarco Passport Software and Microsoft Office Suite 360.

Continuous Improvement: Job specific training will be delivered to all occupations and will emphasize the need to produce a higher quality product more efficiently with less material waste. Courses will include LEAN Processes – Phase 2, Quality Control, and Advanced Materials Handling Equipment.

OSHA 10/30. 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 and 30 hours for Managers. Banks will train Service Technicians, Construction Workers, and Service Testers in OSHA 10. Managers will receive OSHA 30 training. The coursework is geared to construction work. 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.

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.

By October 1, 2015, Credit Card issuers will be required to transition into using RFID chips in their credit cards. This has required the fuel dispensing industry to upgrade their POS systems in all phases of their operations, from the pump to the cash register, in order to meet changing industry regulations. In order for Banks to complete the increased workload and meet client needs they must expand their business capacity and hire new employees.

Banks has committed to hiring 3 new employees (Job Number 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.

Productive Laboratory

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

Banks is requesting up to 12 hours of PL-Commercial skills training for 10 incumbent workers due to the inability to create a field work environment in a class lab setting. Service Technician trainees will receive PL training on installation and maintenance of fuel dispensing equipment. This is technical equipment that will require in-depth training to become proficient.

The PL training is projected to increase installation and maintenance time by 50%. Banks is requesting a ratio of 1:2 because trainees work in groups of one or two employees when on the job site.

SET/HUA

Under Special Employment Training companies are not required to demonstrate out-of-state competition. Trainees must be earning at least the statewide average hourly wage at the end of the retention period.

For trainees located in a High Unemployment Area (HUA), the Panel may reduce the minimum wage requirements up to 25% below the ETP minimum wage requirements. However, the trainee’s post retention must be higher than the wage at the start-of-training.

The Company's location in Fresno County qualifies for HUA status. Banks is requesting a wage modification for 17 trainees in Job Number 2 to \$11.30 per hour and three trainees in Job Number 3 to \$12.25 per hour.

RECOMMENDATION

Staff recommends approval of this proposal.

PRIOR PROJECTS

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

Agreement No.	Location (City)	Term	Approved Amount	Payment Earned \$ %
ET15-0241	Fresno	07/25/14- 07/24/16	\$37,440	\$37,440 (100%)
ET13-0415	Fresno	06/24/13- 06/23/14	\$23,232	\$19,425 (84%)

Exhibit B: Menu Curriculum

Class/Lab Hours

8-60

Trainees may receive any of the following:

BUSINESS SKILLS

Account Development
Project Management
Purchasing Best Practices

COMPUTER SKILLS

Gilbarco Point of Sale (POS) Software

CONTINUOUS IMPROVEMENT

LEAN Processes – Phase 2
Quality Control Training
Advanced Materials Handling Equipment
Confined Space

OSHA TRAINING

OSHA 10 (requires 10 hrs completion)
OSHA 30 (requires 30 hrs completion)

COMMERCIAL SKILLS

Fuel Dispensing Systems Installation/Repair
Point of Sales System Installation/Repair
Automated Car Wash Systems Installation/Repair

Productive Lab

0-12

COMMERCIAL SKILLS (Ratio 1:2)

Fuel Dispensing Systems Installation/Repair
Automated Car wash Systems Installation/Repair

E-Learning Hours

0-60

COMMERCIAL SKILLS

Fuel Dispensing Systems Installation/Repair
Automated Car wash Systems Installation/Repair

Note: Reimbursement for retraining is capped at 60 total hours per-trainee, regardless of method of delivery PL is capped at 12 hours per-trainee.