



Training Proposal for:
Wonderful Pistachios & Almonds LLC
Agreement Number: ET17-0117

Panel Meeting of: June 24, 2016

ETP Regional Office: North Hollywood

Analyst: L. Vuong

PROJECT PROFILE

Contract Attributes:	HUA Priority Rate Retrainee	Industry Sector(s):	Agriculture Manufacturing Priority Industry: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Counties Served:	Fresno, Kern, Los Angeles	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: 1,350	U.S.: 4,500	Worldwide: 5,000
Turnover Rate:	4%		
Managers/Supervisors: (% of total trainees)	7%		

FUNDING DETAIL

Program Costs	-	(Substantial Contribution)	(High Earner Reduction)	=	Total ETP Funding
\$749,070		\$0	\$0		\$749,070

In-Kind Contribution:	100% of Total ETP Funding Required	\$810,000
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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 HUA	Business Skills, Computer Skills, Continuous Impr., Haz. Materials, Mfg. Skills	677	8-200	0	\$630	\$11.70
				Weighted Avg: 35			
2	Retrainee Priority Rate	Business Skills, Computer Skills, Continuous Impr., Haz. Materials, Mfg. Skills	452	8-200	0	\$630	\$15.60
				Weighted Avg: 35			
3	Retrainee Priority Rate	Business Skills, Computer Skills, Continuous Impr., Haz. Materials, Mfg. Skills	60	8-200	0	\$630	\$16.48
				Weighted Avg: 35			

*It will be made a condition of the contract that the trainees in this Job Number will never be paid less than the State 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 (HUA – HUA Wages): \$11.70 per hour for Fresno and Kern Counties (HUA cities: Firebaugh, Bakersfield & Lost Hills).

Job Number 2 (HUA – Standard Wages): \$15.60 per hour for Fresno and Kern Counties.

Job Number 3 (Standard Wages): \$16.48 per hour for Los Angeles 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 \$1.70 per hour for Job Number 1 and up to \$3.48 per hour for Job Numbers 2 & 3 may be used to meet the Post-Retention Wage.

Wage Range by Occupation

Occupation Titles	Wage Range	Estimated # of Trainees
Job Number 1		
Administrative Staff		35
Customer Service Staff		15
Production Worker		587
Production Support Staff		40
Job Number 2		
Administrative Staff		30
Customer Service Staff		10
Engineer		65

Manager/Supervisor		75
Production Worker		252
Production Support Staff		20
Job Number 3		
Administrative Staff		20
Customer Service Staff		20
Manager/Supervisor		10
Production Support Staff		10

INTRODUCTION

Founded in 1989, Wonderful Pistachios & Almonds LLC (Wonderful) (www.wonderful.com), previously known as Paramount Farms International LLC, requests funding for its employees and two closely affiliated entities, Wonderful Growers Cooperative and Cal Pure Produce Inc. All three entities are wholly-owned subsidiaries of the Wonderful Company LLC in Los Angeles. Headquartered in Lost Hills, the Company has six facilities in California: five growing and processing sites in Lost Hills, Firebaugh, and Bakersfield; and an office in Los Angeles. International sites include Belgium, China, Korea, India, Mexico, and Brazil. Customers include retail and wholesale food distributors worldwide such as Costco, Wal-Mart, Tesco, Blue Diamond, Planter's, Kraft, Trader Joe's, and Whole Foods.

Wonderful farms 125,000 acres of almonds and pistachios (in tandem with grower partners) that yield 450 million pounds of nuts annually. The Company grows, processes, and markets its product to ensure quality.

Green/Clean Operations

Since 2007, Wonderful has been operating with the help of solar power. Each year, the Lost Hills facility uses power from the city's 1.1 mega-watt, \$7.5 million solar plant that supplies about 15% of the city's energy. The alternative power generated by the plant eases the burden on the local power supply and on the California power grid. Wonderful has also invested \$2.5 million to install its own power substation at the Los Hills facility.

PROJECT DETAILS

This will be the second ETP Agreement with Wonderful (Note: while there is another prior contract with Wonderful Citrus, a company under the Wonderful umbrella, that was a separate company distinct from Wonderful Pistachios & Almonds). Training under the current ETP Agreement (RESPOND – Drought) focused on drought related challenges and water improvement. In response to the drought and its corresponding effect on business, rather than lay off employees, the Company elected to focus on training during difficult periods of business. Training under this proposal will concentrate on new, healthier products; ways to use water more effectively, improve productivity, and reduce production costs; and the development of new skill sets for workers.

Wonderful continuously strives to meet customer expectations and demands as customers seek healthier natural snack options. In addition, the Company must deliver products more efficiently to remain competitive. The Company has implemented the Wonderful Improvement Network (WIN), a Lean Manufacturing software program to improve production and quality products,

reduce costs, integrate new healthier products, adapt to new technologies and systems, design a quick delivery method and become more efficient in overall processes.

Training will allow the Company to upgrade worker skills, expand production and sales, promote growth and improve efficiencies throughout the facility. Training from the Active ETP Agreement will not be repeated for returning trainees. However, new trainees may receive repeated courses.

Training Plan

Classroom/Laboratory and Videoconference training will be provided as follows:

Business Skills (10%): This training will be offered to all occupations to provide better ways to identify customer needs and learn about new products and sales. Trainees will also learn to communicate with internal and external customers. Training will improve and increase employee skills so they can work more effectively.

Computer Skills (5%): This training will be offered to all occupations to improve efficiency of Company's automated systems and provide better customer service.

Continuous Improvement (60%): This training will be offered to all occupations to facilitate customer service initiatives and meet Company growth objectives. Trainees will learn to improve manufacturing processes, enhance quality products and services, and identify ways to reduce waste and operation costs.

Hazardous Materials (5%): This training will be offered to Production Workers, Production Support Staff, Engineers, and Managers/Supervisors. Trainees will learn proper techniques for handling and cleaning hazardous materials.

Manufacturing Skills (20%): This training will be offered to Production Workers, Production Support Staff, Engineers, and Managers/Supervisors. Training will cover manufacturing practices, product variations, cost reductions and equipment maintenance. Training will upgrade job skills and increase production to meet growing customer demands.

Commitment to Training

Wonderful has a current annual training budget of approximately \$862,000 for itself and the two affiliates. The Company provides new-hired orientation, sexual harassment prevention, first-aid training, job skills training, OSHA mandated training and on-the-job (OJT) training program for manufacturing skills. In addition, Microsoft (MS) basic level and Management Skills are provided as needed. All training is mandatory and all workers receive some training. Class/Lab, OJT and computer-based training methods are utilized.

ETP funding will allow Wonderful to provide well-designed, goal-oriented company-wide training. The Company will be able to implement changes throughout the organization to meet its goals. 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

Training will be delivered on-site by in-house staff and training vendor(s) if needed. Wonderful has designated a Senior Director of Human Resources and staff at each facility to oversee ETP training and administrative responsibilities including scheduling training, enrolling, tracking hours

and securing rosters. Wonderful will also utilize a third party administrator to assist with the administrative process for enrollment, data tracking and invoicing. (See Administrative Services below).

High Unemployment Area

All trainees in Job Numbers 1 and 2 work in a High Unemployment Area (HUA), with unemployment exceeding the state average by at least 25%. The Company's locations in Firebaugh (Fresno County), Bakersfield and Lost Hills (Kern County) qualify for HUA status. 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. Wonderful is requesting the 25% wage modification from \$15.60 per hour to \$11.70 per hour for trainees in Job Number 1 only.

Substantial Contribution

Wonderful is a repeat contractor with payment earned in excess of \$250,000 at the facilities located in Firebaugh and Lost Hills within the past five years. However, current project is a Critical Proposal/RESPOND, therefore, Substantial Contribution does not apply.

ACTIVE PROJECTS

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

Agreement No.	Approved Amount	Term	No. Trainees (Estimated)	No. Completed Training	No. Retained
ET15-0323	\$743,400	11/24/2014-11/23/2016	700	TBD	TBD

Wonderful has an active contract with ETP under the Rapid Employment Strategies Pilot on Natural Disasters (RESPOND) pilot program using ETP core funds. Of an estimated 700 trainees, 1,282 have been enrolled and 1,258 have received the minimum hours of training. The ETP online Class/Lab Tracking System shows that to date, Wonderful has delivered 47,930 hours representing \$862,740 (116% of funding). As such, Wonderful expects to close out this Agreement early and projects to earn 100% of the approved amount.

RECOMMENDATION

Staff recommends approval of this proposal.

DEVELOPMENT SERVICES

Wonderful retained National Training Company, Inc. (NTC) in Irvine to assist with development of this proposal for a flat fee of \$10,800.

ADMINISTRATIVE SERVICES

NTC will also perform administrative services in connection with this proposal 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

- Accounting Skills
- Business Processes
- Communication Skills
- Leadership
- Product Knowledge
- Sales Skills
- Time Management
- Customer Relations

COMPUTER SKILLS

- Microsoft Office (Intermediate and Advanced)
- Project Management (Microsoft)

CONTINUOUS IMPROVEMENT

- Productivity Improvement Techniques
- Problem Solving and Resolution
- Lean Manufacturing
- Measuring for Success
- Team Building
- Wonderful Improvement Network (WIN)

HAZARDOUS MATERIALS

- Hazardous Material Handling
- HazMat Operating Procedures
- Material Safety Data Sheets

MANUFACTURING SKILLS

- Product Sorting Procedures
- Equipment Cross-Training
- Equipment Maintenance and Repair Skills
- Equipment Inspection
- Forklift Certification
- Manufacturing Operating Procedures
- Manufacturing Processes
- Product Specifications
- Product Packaging
- Compliance Tracking
- Growing Techniques
- Safety Quality Food Certification

Safety training will be limited to 10% of total training hours, per-trainee.

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