



**Training Proposal for:
Woodward HRT, Inc.**

Agreement Number: ET16-0105

Panel Meeting of: July 24, 2015

ETP Regional Office: North Hollywood

Analyst: M. Webb

PROJECT PROFILE

Contract Attributes:	Priority Rate Retrainee Critical Proposal	Industry Sector(s):	Manufacturing Priority Industry: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Counties Served:	Los Angeles	Repeat Contractor:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Union(s):	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No UAW Local 509		
Number of Employees in:	CA: 1,150	U.S.: 1,150	Worldwide: 1,150
Turnover Rate:	3%		
Managers/Supervisors: (% of total trainees)	8%		

FUNDING DETAIL

Program Costs	-	(Substantial Contribution)	(High Earner Reduction)	=	Total ETP Funding
\$337,590		\$0	\$0		\$337,590

In-Kind Contribution:	100% of Total ETP Funding Required	\$847,538
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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, Continuous Improvement, HazMat, Manufacturing Skills	341	8-200	0	\$990	\$17.26
				Weighted Avg: 55			

Minimum Wage by County: \$15.97 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

Although employer provides health benefits, they are not being used to meet Post-Retention Wage.

Wage Range by Occupation

Occupation Titles	Wage Range	Estimated # of Trainees
Office Staff		26
Production Staff		223
Quality Staff		29
Engineers		37
Managers/Supervisors		26

INTRODUCTION**Critical Proposal**

The Governor's Office of Business and Economic Development (Go-BIZ) has designated Woodward HRT, Inc. (Woodward HRT), as a "Critical Proposal". Woodward HRT is expanding production due to a significant increase in new product development and equipment. ETP funding will enable the Company to provide training for workers on this new equipment.

Woodward HRT, formerly GE Aviation, is located in Duarte. The name change occurred when the Company was acquired by Woodward, Inc. in December 2013. [Note: The parent Woodward, Inc. is headquartered in Fort Collins, Colorado with 27 sites nationwide.] Woodward HRT designs and manufactures thrust-reversing actuation systems for business, military and commercial aircraft.

Products include pumps, valves, fuel nozzles, metering units, cockpit controls, actuators, motors, and sensors.

To ensure Woodward HRT delivers quality products on time, the Company developed a training plan to improve employee skill sets and practices. To increase efficiency Woodward HRT will provide training in Lean practices and increase abilities to problem solve, manage project levels and plan effectively.

PROJECT DETAILS

The Company's aerospace division designs, manufactures and services systems/products that manage fuel, air, combustion, and motion. As a result, the Company has recently been hired to manufacture parts for new planes being developed by Airbus and Boeing. These projects, combined with a few other new contracts, will result in \$145M in annual sales.

Training in Continuous Improvement and Manufacturing Skills with focus on Six Sigma (Lean/Kaizen) concepts to increase efficiency, reduce production costs, and improve turnaround times. Training will improve production workflow and utilization of equipment.

Over the next two years, Woodward HRT will install and upgrade new equipment totaling approximately \$10 million dollars. Trainees will receive Manufacturing Skills training to properly operate and test equipment. New equipment and upgrades will also incorporate changes to production assembly lines.

Training Plan

The type and extent of training is outlined below:

Business Skills (7%): Training will be offered to all occupations to increase staff capability to prioritize work functions and develop new strategies. Lead workers will also participate in courses that will enhance leadership skills.

Computer Skills (1%): Training will be offered to all occupations to utilize the Company's management software. Trainees will learn how to store and manage data efficiently.

Manufacturing Skills (32%): Training will be offered to Production Staff, Engineers, Quality Staff and Managers/Supervisors. Topics delivered will increase employee skill set to execute jobs proficiently.

Continuous Improvement (58%): Training will be offered to all occupations to improve work processes by implementing methodologies such as 5S, Six Sigma and Kaizen. Training topics include Lean Assessment, Problem Solving and Preventative Maintenance Skills.

Hazardous Materials (2%): Training will be offered to Production Staff, Engineers, Quality Staff and Managers/Supervisors. Trainees will learn about hazardous materials/chemicals they may come in contact with while on the production floor.

Commitment to Training

Currently, Woodward HRT has an annual training budget of \$50,000. Employees are provided safety, on-the-job, orientation, chemical substance awareness, and other technical skills training. The Company will continue to deliver all mandated training alongside Lean Manufacturing and Six Sigma training.

Woodward 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.

➤ Training Infrastructure

Woodward has hired Labor Employment and Training Corporation (LETC) to conduct administrative duties. The Human Resource Manager will coordinate and schedule employee training and work with external vendors such as LETC and Performance Ascent, Inc. LETC will provide monthly progress reports to the Woodward Human Resource Manager to ensure the Company is in compliance.

RECOMMENDATION

Staff recommends approval of this proposal.

DEVELOPMENT SERVICES

Performance Ascent, Inc. in Irvine assisted with development of this proposal free of charge.

ADMINISTRATIVE SERVICES

LETC in Cerritos will perform administrative services in connection with this proposal for a fee not to exceed 13% of payment earned.

TRAINING VENDORS

Performance Ascent, Inc. will provide training in Continuous Improvement. Other trainers will be identified for ETP record-keeping purposes, as they are retained.

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

8-200

Trainees may receive any of the following:

BUSINESS SKILLS

- Communication Skills
 - The Woodward Way
- Management Essentials
 - Successful Selections
- Leadership Development

COMPUTER SKILLS

- Woodward Enterprise Resource Planning

CONTINUOUS IMPROVEMENT

- 5-S
- 6-S Skills
- AS 9100 Skills
- AS 9100 Auditor Skills
- Business Assessment
- Lean Assessment
- Concurrent Engineering Skills
- Leadership/Management Skills
- Define, Measure, Analyze, Improve, and Control
- Demand Flow Technology
- Design of Experiments
- Engineering Change Process
- Enterprise Baseline Assessment
- Failure Mode and Effects Analysis
- Frontline Leadership
- Intro to Lean Manufacturing for Individual Members
- Inventory Accuracy Program Procedures
- ISO 9000 Skills
- ISO 9000 Auditor Skills
- Kaizen Leader Development
- Kaizen Process Improvement Workshops
- Lean Enterprise System Overview
- Lean Gemba Walks
- Lean Kata
- Lean Leadership
- Lean Manufacturing Skills
- Leadership/Management Communications & Meetings
- Management Planning & Development Skills
- Management Development
- Material Resource Planning
- Metrics Management

- Planning Process Skills
- Policy Deployment/Hoshin Planning
- Preventative Maintenance Skills
- Problem Solving Skills
- Process Deployment
- Process Improvement Skills
- Process Mapping
- Product Fulfillment Process
- Production and Inventory Management
- Pull Systems
- Quality Inspection
- Quality Management Systems
- Quality Standards Process
- Root Cause Analysis
- Set-Up Time Reduction
- Simulation Modeling Skills
- Six Sigma Green Belt Skills
- Small Batch Manufacturing
- SPCC Plan-Spill Prevention, Control and Countermeasure
- Standard Work Skills
- Statistical Process Control
- Strategic Planning Skills
- Successful Selection
- Total Productive Maintenance Skills
- Team Building Skills:
 - DISC Assessment Learning
- Team Leadership Skills
- Value Stream Mapping
- Woodward EMS System

HAZARDOUS MATERIALS

- Hazardous Waste Awareness

MANUFACTURING SKILLS

- Alodine Conversion Coating Skills 1132
- Blueprint Reading
- Boeing Inspection Electrical Bonding
- Bonding & Ground Resistance Measurement
- Cryogenic Liquids Handling
- Electrical Bonding & Ground Course
- Electrical Safety
- Equipment Testing
- Forklift Usage
- Inspection for Regulatory
- First Article Skills
- General Manufacturing Skills
- Geometric Dimensioning & Tolerancing
- Human Factors

- J-Standard – Soldering Skills
- Manufacturing Equipment Skills
- O-Ring Skills 023
- Suspected Unapproved Parts
- Stormwater Pollution Prevention Plans
- Vendor Managed Inventory

Safety Training cannot exceed 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.

Region 5

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INTERNATIONAL UNION, UNITED AUTOMOBILE, AEROSPACE & AGRICULTURAL IMPLEMENT WORKERS OF AMERICA - UAW

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President

Gary Casteel
Secretary-Treasurer

April 15, 2015

Mr. Art Martinez
Human Resources Director
Woodward Company
1700 Business Center Drive
Duarte, CA 91010

Dear Art,

We are in support of Woodward's application to operate an ETP program at the Duarte site. We are pleased that UAW Local 509 President Gene Hurd and other representatives have been part of the planning team. We know this training will help support the growth and viability of the Woodward team and we look forward to being of assistance in its implementation.

Sincerely,

Gary Jones, Director
UAW Region 5

Alaska, Arizona, Arkansas, California, Colorado, Hawaii, Idaho, Kansas, Louisiana, Missouri, Nevada, New Mexico, Oklahoma, Oregon, Texas, Utah, Washington

