



**Training Proposal for:
Bergelectric Corp.**

Agreement Number: ET17-0265

Panel Meeting of: October 28, 2016

ETP Regional Office: San Diego

Analyst: J. Davey

PROJECT PROFILE

Contract Attributes:	Priority Rate Retrainee SET	Industry Sector(s):	Construction Services Green Technology Priority Industry: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Counties Served:	Los Angeles, Orange, Sacramento, San Diego, Ventura	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: 1,118	U.S.: 2,013	Worldwide: 2,013
<u>Turnover Rate:</u>	4%		
<u>Managers/Supervisors:</u> (% of total trainees)	8%		

FUNDING DETAIL

Program Costs	-	(Substantial Contribution)	(High Earner Reduction)	=	Total ETP Funding
\$199,800		\$0	\$0		\$199,800

In-Kind Contribution:	100% of Total ETP Funding Required	\$448,220
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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, Continuous Impr, Mgmt Skills	455	8-200	0	\$360	\$19.00
				Weighted Avg: 20			
2	Retrainee Priority Rate SET	Business Skills, Commercial Skills, Computer Skills, Continuous Impr, Mgmt Skills	100	8-200	0	\$360	\$30.00
				Weighted Avg: 20			

Minimum Wage by County: Job Number 1: \$17.02 per hour in Los Angeles; \$16.51 per hour in Orange; \$16.10 per hour in Sacramento; \$16.46 per hour in San Diego; and \$15.60 per hour in Ventura; Job Number 2 (SET/Priority Industry): \$21.28 per hour.

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 health benefits are provided, they are not being used to meet the Post-Retention Wage.

Wage Range by Occupation

Occupation Titles	Wage Range	Estimated # of Trainees
Job Number 1		
Administrative Support Staff		45
Estimation/Pre-Construction/Project Support Staff		35
Field Staff		330
Managers/Supervisors		45
Job Number 2 – SET		
Estimation/Pre-Construction/Project Support Staff		20
Field Staff		80

INTRODUCTION

Established in 1946, Bergelectric Corp. (Bergelectric) provides large scale industrial electrical contracting nationwide. Headquartered in Los Angeles, the Company has four additional sites in California (Agoura Hills, Escondido, Irvine, and Sacramento) and seven out-of-state locations across the US to support its clients nationwide. The Company provides new electric design/build services, construction and remodel; data and telecom backbone infrastructure installations; fiber-optic communications; photovoltaic and wind generation systems, and other electrical construction services.

Bergelectric's corporate support functions in Los Angeles and Escondido (San Diego) provide internal support to locations within California and nationwide. These locations face out-of-state competition and are eligible for standard retraining. (Title 22, California Code of Regulations, Section 4416(e).) (Job Number 1)

The Company's other location in Sacramento County does not face out-of-state competition. These trainees are eligible for ETP funding under the Special Employment Training (SET) (Job Number 2).

PROJECT DETAILS

This is the third ETP proposal for Bergelectric Corp in the last five years. The first two Agreements focused on training employees on a new Oracle ERP system. The Company acquired the Oracle ERP software in June 2013 and immediately began the multi-staged implementation. During the first project, training was delayed for a year to allow for the ERP implementation. Some training was done, but no trainees were enrolled or documented and the contract was terminated. Additional details are discussed under the Prior Projects table.

In the second project (ET15-0163), Bergelectric continued plans to implement Oracle ERP, which was the linchpin of the training plan taking precedence over the rest of the training. An early 2015 go-live date for the system was eventually shelved, further delaying training. However, the Company managed to conduct ancillary training in Business Skills, Commercial Skills, and Continuous Improvement. Again, additional details are discussed further under the Prior Projects table.

This proposal will again focus on Oracle ERP training. The new system was tested in July and is finally ready to be rolled out to the entire Company before the end of the Calendar Year. Oracle ERP will help staff plan, forecast, and communicate more productively.

Bergelectric has continuing opportunities nationally for new construction projects that were delayed or put on hold. While no longer in "workforce growth" mode, the Company still seeks to diversify and expand its services. The Company continues to face strong competition from other electrical contracting firms. As such, it must stay current on the latest construction technology, innovations and green sustainability methods, processes and requirements. To meet these challenges, Bergelectric believes its employees must be cross-trained, more productive, and highly efficient in all areas.

Training Plan

Training will be provided primarily by in-house subject-matter experts at each of the four California locations; although outside vendors may also be utilized. While much of the training identified below is the same as in the prior project, it will be delivered to trainees who did not already receive this training. E-Learning will be used to provide Computer Skills training on software skills at all four California facilities.

Business Skills (15%) - Training will be provided to all occupations to streamline business operations. Training will enable employees to be more productive in common communication platforms and techniques. Additional skills include BlueBeam (e-blueprints) reading, detail drawings, and starting a construction project. Training will improve customer satisfaction through efficient and rapid information response processes and effective communication techniques.

Commercial Skills (5%) - Training will be provided to Field Staff and Managers/Supervisors in skills upgrades, new requirements, environmentally sound techniques, current best practices, and overall project management skills. Training will help trainees effectively perform their

respective jobs. Select personnel will receive construction project management training to make them deployable across multiple projects. No electrical trade skills will be provided under this Agreement.

Computer Skills (40%) - Training will be offered to all occupations in Oracle ERP software that had been delayed over the last several years. Trainees will receive training in the use of this software to better manage the business as a whole. In addition, training in Microsoft Office, and other technologies will improve the capture, coordination and dissemination of information throughout the organization.

Continuous Improvement (30%) - Training for all occupations is designed to provide the skills to identify, improve and incorporate new practices, procedures and methods across all facilities. Training will enable employees to participate in identifying/upgrading outmoded methods of operation. Teambuilding and teamwork skills, and cause analysis/problem-solving/decision-making will allow employees to work individually and in teams to manage and participate in the preparation and implementation of process improvement efforts.

Management Skills (5%) - Training will be provided to Job 1 Managers/Supervisors and Field Staff (Foremen) and will include Leadership and Team Building. Many Field Staff and Managers/Supervisors have promoted from within and have had minimal formal leadership or management training. These skills will enable all levels of managers to better lead and manage teams.

SET Wage Modification

Under SET, the Company is not required to demonstrate out-of-state competition, and trainees are not required to meet eligibility standards for retraining. To qualify, trainees must be earning at least the state average hourly wage at the end of the retention period. SET funding will be used to train frontline staff in Job Number 2.

Commitment to Training

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.

Bergelectric does not currently have an identified, line-item training budget. The Company trains as necessary in all areas at all locations. Estimates of training expenses in 2013 were approximately \$1M (materials, instructors, facilities, etc.). The Company has historically spent \$1-2M per year and plans to spend approximately \$2-3M on training in 2016/2017.

➤ Training Infrastructure

The Company has two dedicated in-house trainers and will hire a training coordinator prior to the start of training.

RECOMMENDATION

Staff recommends approval of this proposal.

PRIOR PROJECTS

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

Agreement No.	Location (City)	Term	Approved Amount	Payment Earned	
				\$	%
ET15-0163	Statewide	07/07/2014– 07/06/2016	\$423,792	\$181,898	(43%)
ET12-0376	Statewide	05/07/2012– 05/06/2014	\$424,310	\$0	(0%)

ET15-0163: The Company was unable to perform training as planned due to continued delay in its Oracle ERP implementation. Over the past 3 years, Bergelectric has been programming custom changes to Oracle software that will track the financial performance of its construction projects and other indicators. As a precautionary step, the Company performed parallel payroll tests in 2014 and 2015. Both years, the parallel test failed, and initial roll-out of Oracle ERP was cancelled. Cancellation of Oracle training derailed some 50% of the ETP project.

To ensure the successful use of the ETP funds for this project, Bergelectric has taken the following steps: 1) Training will be centralized from the Escondido office to ensure operational control and coordination, with more corporate oversight rather than decentralized from each separate location; 2) Hired internal trainers and developed the curriculum irrespective of any further software implementation; 3) Developed internal software for tracking and monitoring the scheduling, attendance and effectiveness of the training to be administered. 4) Identified and requisitioned a Training Coordinator whose primary responsibility is to ensure the delivery of training and compliance with the ETP Agreement.

Staff recommends funding this proposal at slightly above the amount earned in the prior project because the Company has fixed the “bugs” in its Oracle ERP software and is now ready to launch the system.

ET12-0376: The anticipated procurement of Oracle ERP software was scheduled for June 2012, the beginning of the ETP Agreement. Unfortunately, the implementation was postponed for a year, such that ETP-funded training could not begin until 2013. There were further delays in launching the new system. Ultimately, so little training was conducted that the Company did not enroll or report training, and the contract was terminated.

DEVELOPMENT SERVICES

N/A

ADMINISTRATIVE SERVICES

N/A

TRAINING VENDORS

To Be Determined

Exhibit B: Menu Curriculum**Class/Lab & E-Learning Hours**

8-200

Trainees may receive any of the following:

BUSINESS SKILLS

- Company Processes/Administration
- Project Management
- Strategic Planning
- Communication Skills
- Time/Priority/Workspace Management
- Customer Service Skills
- Train-the-Trainer Skills
- Starting a Construction Project
- BlueBeam Reading
- Detail Drawings and As-Builts

COMMERCIAL SKILLS

- Professional Project Management Training
- Professional Estimators Training
- Construction Management
- Prefab and Preferred Materials
- Material Procurement and Management
- Fire Alarm Systems

COMPUTER SKILLS

- CADD/BIM Certification
- Oracle Management Suite
- Cisco Certifications
- BlueBeam Revu

CONTINUOUS IMPROVEMENT

- Cause Analysis/Problem Solving/Decision Making
- Process Improvement/Process Control
- Teambuilding & Teamwork
- Performance Coaching and Motivation

MANAGEMENT SKILLS (management trainees only)

- Time/Priority/Workspace/ Meeting Management for Leaders
- Manager/Supervisor Skills
- Leadership and Team Building for Managers

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

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