



**Training Proposal for:
Sky Onc, Inc. dba Vertex China
≤ \$75,000: ET10-0155**

Approved: **August 2009-1**

ETP Regional Office: **North Hollywood** Analyst: L. Vuong

CONTRACTOR:

- Type of Industry: Manufacturing
Priority Industry: Yes No
- Contractor's # of Full-Time Employees
 - California: 13
 - Worldwide: 15
 - Number to be trained: 10
- Manager/Supervisor: 20%
- Turnover Rate: 15%
- Repeat Contractor: Yes No
- Substantial Contribution: Yes No

CONTRACT:

- Training Project Profile: Priority/Retrainee
- ETP Funding Amount: \$26,000
- In Kind Contribution: \$24,280
- Average Cost per Trainee: \$2,600
- Post Retention Wage: \$14.18
- Health Benefits: \$2.49 per hour
- Occupations to be Trained: Administrative Staff, Customer Service Staff, Production Staff, Manager/Supervisor
- Training Menu:

<input checked="" type="checkbox"/> Business skills	<input type="checkbox"/> Literacy skills
<input type="checkbox"/> Commercial skills	<input type="checkbox"/> Management skills
<input checked="" type="checkbox"/> Computer skills	<input checked="" type="checkbox"/> Manufacturing skills
<input checked="" type="checkbox"/> Cont. Improvement	<input type="checkbox"/> Other:

- Advanced Technology: Yes No
- Range of Hours: 24 to 200 Weighted Average: 100
- Multiple Job Numbers: Yes No
- County(ies) Served: Los Angeles
- Union Representation: Yes No
- Subcontractor: To Be Determined
- Third Party Services: The company retained Training Funding Source (TFS) in Seal Beach to assist with Development of this proposal for a flat fee of \$2,600.

The company also retained TFS to perform Administrative Services for an amount not to exceed 13% of payment earned.

INTRODUCTION

Sky Onc, Inc. DBA Vertex China (Vertex China) manufactures and distributes custom porcelain china dinnerware for foodservice markets world-wide. This is the third Agreement between ETP and Vertex China. A substantial contribution does not apply because the applicant has not earned \$250,000 or more within the previous five years (Title 22, California Code of Regulations, Section 4410 (a).)

Vertex China's representative states that the company needs to retrain its employees in the skills that will further the company's transition to a high performance workplace. In addition, the company has expressed its need for ETP-funded training because it is are facing out-of-state competition and struggling to keep up with technology and its need to build employees' skills in a constantly changing environment. According to Vertex China's representative, the company plans to expand upon the successful training initiatives that have been established and the proposed two-year training program will allow the company sufficient time to reach a broader trainee population and deliver much needed instruction in Continuous Improvement, Computer, Business, and Manufacturing Skills.

ACTIVE PROJECTS

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

Agreement No.	Approved Amount	Term	No. Trainees (Average)	No. Completed Training	No. Retained
*ET08-0178	\$25,350	08/07/07 to 08/06/09	13	12	12

***ET08-0178** – Based on the Final Monitoring Visit Report (dated 5/15/09), the Contractor's representatives reported that 12 trainees completed 1008.75 class/lab training hours which is equivalent to \$26,227.50. The Contractor exceeded the number of training hours required in this Agreement and anticipates earning **100%** of the ETP Agreement Amount (\$25,350).

PRIOR PROJECTS

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

Agreement No.	Location (City)	Term	Approved Amount	Payment Earned
**ET06-0298	Walnut	06/01/06 to 05/31/07	\$19,200	\$6,390 (33%)

****ET06-0298** – The Contractor trained and placed six of the 16 planned trainees. The Contractor's representative reported that the company was not able to maximize the funding in its first Agreement because several employees did not meet the ETP minimum wage requirement. Further, the company's training schedule was not structured appropriately to allow the company to complete all of the planned training. As a result, the company found it more feasible to focus on providing the maximum number of training hours to a select group of employees. With the exception of one trainee that eventually left the company, all of the trainees that were placed were successful in completing the maximum 60 hours of training under the Agreement.

RECOMMENDATION

For the reasons set forth above, staff recommends approval of this proposal by the Executive Director in consultation with the Panel Chair (Delegation Order 2009-1).

Comments may be submitted by email at delegationorder@etp.ca.gov.
 You must identify the ET10 Number for this proposal in the subject line of your email.
 The deadline for submitting comments on this proposal is August 19, 2009.