

**DELEGATION ORDER**



**Training Proposal for:  
Tolar Manufacturing Company, Incorporated  
Small Business: ET10-0158**

Approved: **August 2009-1**

ETP Regional Office: **San Diego**

Analyst: S. Godin

**CONTRACTOR:**

- Type of Industry: Manufacturing  
Priority Industry:  Yes  No
- Contractor's # of Full-Time Employees
  - California: 46
  - Worldwide: 47
  - Number to be trained: 43
- Turnover Rate: 17%
- Repeat Contractor:  Yes  No

**CONTRACT:**

- Training Project Profile: Priority/Retrainee  
HUA -Retrainee
- ETP Funding Amount: \$67,080
- In Kind Contribution: \$36,661
- Average Cost per Trainee: \$1,560
- Post Retention Wage: \$10.70
- Health Benefits: \$1.14 per hour
- Occupations to be Trained: Production Personnel, Engineering Staff,  
Administrative Support Staff, Accounting  
Personnel, Sales Staff, Owner
- Training Menu:
  - Business skills
  - Literacy skills
  - Commercial skills
  - Management skills
  - Computer skills
  - Manufacturing skills
  - Cont. Improvement
  - Other:

- Range of Hours: 8-100 Weighted Average: 60
- Multiple Job Numbers:  Yes  No
- County(ies) Served: Riverside
- Union Representation:  Yes  No
- Subcontractor: N/A
- Third Party Services: N/A

## **INTRODUCTION**

Founded in 1991, Tolar Manufacturing Company, Incorporated (Tolar) is a privately-owned specialty manufacturer of transit shelters, street furniture components, and off-road vehicle bumpers. This small business is located in Corona and employs 46 full-time workers.

Tolar states that to remain viable and globally competitive, the company needs to improve its manufacturing work processes. The company recently completed its first ETP-funded small business project in which 15 frontline workers were introduced to the basic concepts of quality, process improvement, teambuilding, and lean manufacturing. Administrative support and engineering staff also received computer skills training in the latest release of Tolar's ERP software (MAS 90). Completion of the first Agreement has laid the foundation from which the company can now create a culture of continuous improvement.

The proposed training further incorporates the principles of continuous improvement and lean manufacturing. Those employees who were not trained in the first project will be introduced to continuous improvement and lean manufacturing principles. Advanced topics will be delivered to those trainees who participated in the first Agreement as the company begins to focus on the implementation of lean manufacturing practices and the integration of its ERP software throughout all departments.

## **Modifications**

Tolar is located in Riverside County which has been designated as a High Unemployment Area (HUA); a region with unemployment exceeding the state average by at least 25%, using the unemployment rate set by the Labor Market Information Division of the Employment Development Department (Title 22, California Code of Regulations (CCR), Section 4429(b).). Job Number 2 trainees (HUA Retrainee) will earn less than the ETP minimum required retrainee wage of \$13.00 per hour for Riverside County. 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 by at least 7%. (Title 22, CCR, Section 4429(c).)

## **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
ET07-0399	Corona	6/04/07- 6/03/09	\$31,200	\$14,196*

\*Tolar has not yet submitted a final closeout invoice for the above Agreement; however, the ETP tracking system indicates that the contractor is eligible for a total reimbursement amount of \$14,196 if all retention requirements are met.

Although 15 trainees did receive valuable skills training in the first project, Tolar was not able to deliver the scope of training to the number of employees as planned. The Contractor states that the training delivered by the training vendor (originally contracted with) did not meet its needs and Tolar elected to sever its training relationship with them. Several months of valuable training time elapsed before a suitable replacement was found, which resulted in far fewer hours being delivered than originally planned.

To ensure the success of the second ETP-funded project, Tolar has hired a full-time training director. A needs assessment identifying skill set deficiencies was completed and a training curriculum has been developed to address the deficiencies. The use of an in-house trainer will give Tolar ownership of the process and assure that training is value-added.

### **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). This includes the wage modification for trainees in Job Number 2.

Comments may be submitted by email at [delegationorder@etp.ca.gov](mailto: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.