



**Training Proposal for:
Bay Alarm Company
Agreement Number: ET09-0444**

Panel Meeting of: **January 23, 2009**

ETP Regional Office: **Sacramento**

Analyst: J. Basquez

PROJECT PROFILE

Contract

Type: SET Frontline - Retrainee
SET/HUA - Retrainee

Industry

Sector(s): Construction

Counties

Served: Alameda, Sacramento, San Joaquin, Contra Costa, Orange, San Mateo, Shasta, San Bernardino, Los Angeles, Santa Clara, Sonoma, and Ventura

Repeat

Contractor: Yes No

Union(s): Yes No

Priority

Industry: Yes No

No. Employees in CA: 626

No. Employees Worldwide: 626

Turnover Rate %	Manager/ Supervisor %
18.8%	0%

FUNDING DETAIL

Program Costs	Substantial Contribution	Total ETP Funding
\$155,844	\$0	\$155,844

In-Kind Contribution
\$178,234

TRAINING PLAN TABLE

Job No.	Job Description (by Contract Type)	Type of Training	Estimated No. of Trainees	Range of Hours		Estimated Cost per Trainee	Post-Retention Wage
				Class / Lab	CBT		
1	SET/HUA-Retrainee	Commercial Skills, Continuous Improvement	111	24 - 200	0	\$792	\$13.00
				Weighted Avg: 44			
2	SET Frontline Retrainee	Commercial Skills, Continuous Improvement	74	24 - 200	0	\$918	\$23.64
				Weighted Avg: 51			

Minimum Wage by County: Alameda, Contra Costa, Orange, San Mateo, Santa Clara, and Los Angeles is \$14.18; Sacramento is \$13.69; San Joaquin, Shasta, and San Bernardino is \$13.00; Ventura is \$13.48; and SET Statewide average hourly wage is \$23.64

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

\$1.86 per hour may be used to meet the Post-Retention Wage in Job Number 1

Commissions of \$1.19 to \$12.23 may be used to meet the Post Retention Wage requirements for Job Number 1 & 2.

Wage Range by Occupation	
Occupation Title	Wage Range
Sales Staff	
Operations Staff	
Installer/Dispatcher Staff	
Service Technicians	

INTRODUCTION

In this proposal, Bay Alarm Company (BAC) seeks funding for retraining as outlined below:

BAC is the largest independently owned and operated security company in the United States and provides products and services to customers across California. The company offers a full range of security systems, including burglar and fire alarm systems, access control and video surveillance, and also provides service to approximately 100,000 residential and commercial customers.

BAC competes with a number of major domestic security monitoring companies and many smaller regional competitors such as: ADT Security Services, Inc. (Boca Raton, FL), Protection One Inc. (Lawrence, KS), and The Brink’s Company (Richmond, VA).

BAC qualifies for Special Employment Training (SET) funds specifically targeted for frontline workers as outlined under Title 22, California Code of Regulations (CCR), Section 4409. BAC proposes to retrain 185 of its full-time employees in commercial skills and continuous improvement skills. This training will assist BAC to transition to a high performance workplace.

Demands for home and commercial security systems are driven partly by home sales, new home construction, and new commercial construction. The current economic conditions are affecting BAC's business, additionally, the "miniaturization" of sensors, detectors, and advances in wireless communication systems have made security systems affordable to a wider section of the population and, in some cases, reduced the need for professional installation services.

Security companies often sell customer contracts to other large monitoring companies or may resell the services of a large monitoring company. BAC is unique in that it designs, installs, services, and monitors its own system which provides higher quality protection and services to its customers. For the company to continue to develop and offer better products and services and remain competitive, BAC will need to train its employees to meet the new technological changes.

PROJECT DETAILS

In this proposal, BAC will be implementing new products and upgraded technology that will expand its service from California to a nationwide marketplace. A brief explanation of the new products and upgraded technology are:

- Personal Emergency Response System (PERS), which is a monthly monitored service for seniors who value living independently.
- New Access Control is a security system that is set up to control access to a targeted area, typically a place of business.
- Alarm Video Verification is a new technology verification tool that allows BAC to evaluate alarm situations and clearly determine if the customer is experiencing a "false alarm" or an actual attack on a person or property.
- Upgraded Alarm Panel Technology will use network communication or GSM (Global System for Mobile – using cell phone technology) radios. This will increase BAC's capabilities and enable them to receive an alert signal, even if customer phone lines are down.
- User Administration Web Access allows customers to access all alarm services via the web from any location.
- Expanded Wireless Capabilities will allow BAC to provide additional monitoring at a cost advantage over the typical wired security system.

Two training topics outlined below, were include in BAC's prior project. In this proposal, however these topics are either more advanced or they will only be provided to new trainees.

Commercial Skills Implementation of the new products and upgraded technology will require BAC to provide supplemental commercial skills training to its frontline workforce in topics such as: Alarm Video Verification/Surveillance Technology, Digital Video Recorder (DVR) systems, Cellular Radio Transmission, Voiceover Internet Protocol (VoIP), Sprinkler Inspection System (SIS), and Bay Area Medical Technology. These skills will enable BAC's workforce to better perform their jobs, installing, maintaining, and servicing its products and systems.

Continuous Improvement Skills The company's frontline workforce will receive training in continuous improvement skills aimed at moving the company to a higher level of performance through process improvement/quality control skills, problem solving/troubleshooting skills, team building, and managing customer interactions. These skills will address BAC's need to achieve higher quality standards to keep current with changing technologies, improve relationships with customers, and improve efficiencies.

Commitment to Training

BAC certifies that the request for the proposed ETP-funded training will supplement rather than displace the company’s ongoing investment in the training of its workers. BAC has a history of delivering training in areas such as: new hire training, anti harassment, safety training, driver training, operator skills, train the trainer, OSHA, basic computer skills, basic job skills, fire code training, and California State File/Life Safety Apprentice Program. The company will continue to provide this ongoing training during the term of the proposed ETP Agreement and beyond. The company expects to invest approximately \$460,000 in training for 2009.

BAC represents that ETP funds will not displace the existing financial commitment to training. Indeed, BAC anticipates that the opportunity for enhanced training made possible by ETP funds will encourage an ongoing financial commitment in this area.

BAC represents that safety training is, and will continue to be, provided in accordance with all pertinent requirements under state and federal law.

Special Employment Training

This proposal has been identified for Special Employment Training (SET) funds because BAC does not face out-of-state competition. SET trainees must be earning at least the statewide average hourly wage at the end of the retention period. (Unemployment Insurance Code 10214.5. Title 22, CCR, Section 4409(a).)

The 111 trainees in Job Number 1 work in a High Unemployment Area (HUA). This is 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, CCR, Section 4429(b).)

Under SET, the panel may fund training for employers in a HUA. These trainees may earn less than the statewide average hourly wage, however they must earn at least the ETP minimum retraining wage. BAC is not asking for a wage modification.

RECOMMENDATION

For the reasons set forth above, staff recommends approval of this proposal.

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
ET07-0223	Pacheco	12/31/06 12/30/08	\$126,510	\$126,510*

*BAC is projected to earn 100% of its ETP contract ET07-0223. The previous contract enabled BAC to centralize its training function and implement several new products, allowing BAC to maintain its competitive edge. This proposal will enable BAC to implement new initiatives and allow the family owned company to continue to compete during this economic crisis and period of increased competition.

DEVELOPMENT SERVICES

The company retained Training Funding Partners in Tustin assist with development of this proposal for a flat fee of \$10,000.

ADMINISTRATIVE SERVICES

The company also retained Training Funding Partners to perform administrative services in connection with this proposal for a fee not to exceed 7% of payment earned.

TRAINING VENDORS

N/A

Exhibit B: Menu Curriculum

Class/Lab Hours

24-200

Trainees will receive any of the following training

Commerical Skills

- Alarm System/Computer Networking
- New Alarm Video Verification/Surveillance Technology
- Bay Alarm Medical Technology
- Cellular Radio Transmission
- Digital Video Recorder (DVR) Systems
- New/Upgraded Products
- Installation/Service/Sales
- Sprinkler Inspection System (SIS)
- Voiceover Internet Protocol (Volp)

Continuous Improvement Skills

- Advanced Customer Service Techniques
- Communication Skills
- Problem Solving/Troubleshooting Skills
- Process Improvement Skills
- Quality Control Skills