



**Training Proposal for:
Four C's Service, Inc.
Agreement Number: ET09-0440**

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

ETP Regional Office: **Sacramento**

Analyst: J. Sakamoto

PROJECT PROFILE

Contract Type: SET/HUA - Retrainee

Industry Sector(s): Construction

Counties Served: Fresno

Repeat Contractor: Yes No

Union(s): Yes No

Priority Industry: Yes No

No. Employees in CA: 83

No. Employees Worldwide: 83

Turnover Rate %	Manager/Supervisor %
22%	N/A

FUNDING DETAIL

Program Costs	Substantial Contribution	Total ETP Funding
\$118,560	\$0	\$118,560

In-Kind Contribution
\$144,000

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	Business Skills, Computer Skills, Continuous Improvement, Manufacturing Skills	76	8 - 60	0	\$1,560	\$13.26
				Weighted Avg: 60			

Minimum Wage by County: Fresno County: \$13.00 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

Wage Range by Occupation	
Occupation Title	Wage Range
Clerical/Adminstrative Staff	
Fabricators/Shop	
Installers/Sheet Metal	
Leads	
Sales/Estimators	

INTRODUCTION

Four C's Service, Inc. (Four C's) began in 1980 as a heating and air conditioning service and repair company in Clovis. In 1991 its services expanded to include mechanical sheet metal roofing projects. Currently, Four C's is a small business that operates in Fresno in the priority industry of custom fabrication and manufacturing of sheet metal products for the construction industry and other commercial customers. Products are shipped out to California contractors, and in some cases Four C's does the product installation.

Four C's also functions as a specialty contractor offering custom flashing, curbs, gutters, fascia, drains, and other roofing products. In addition, Four C's installs some metal roofing products for contractors in new and remodeled construction areas. Four C's also manufactures metal products such as stainless steel countertops, kitchen hoods, and custom ductwork. Four C's has the equipment and expertise to work with galvanized copper, aluminum, stainless steel, and hot and cold rolled metal materials.

This employer is eligible to be funded under the SET/HUA provisions outlined under Title 22, California Code of Regulations (CCR), Section 4409.

PROJECT DETAILS

With ETP funding, Four C's wants to increase the productivity and efficiencies of its current operation by applying lean manufacturing principles to the processes and operations throughout the organization. Four C's will transform the current production floor into a high performance workplace which is more time efficient and where production capacities can be increased and materials wasted can be reduced. With funding from ETP, Four C's plans to provide the following training to its workforce:

Business Skills

All sales, administrative staff, and customer service personnel will be instructed in customer service skills, handling special orders, increased product knowledge, and information workflow. Written and oral communication skills will also be offered. Responsiveness to customer needs sets the tone for this section of the curriculum.

Computer Skills

Trainee's proficiencies will be increased in all of the software packages that are used in the administration of the business to include accounting, customer service, and inventory control. Production planning software will be implemented to stage materials and jobs toward a more efficient production process.

Continuous Improvement

Production and installation employees will be trained in quality control theories and principles, process improvement and mapping, project management, inventory control, and cross training. This section of the curriculum is meant to improve the skill-sets of the employees and give them ownership of the processes and the management of change. Improvement is the emphasis of this subject matter and it will be taught to all employees.

Manufacturing Skills

All production employees will be offered training in lean manufacturing principles, quick response manufacturing, materials and product flow, materials resource planning, and equipment maintenance. Training will also be focused on increasing capacities, reducing waste and increasing efficiencies.

Commitment to Training

Currently, Four C's invests \$35,000 in its annual training budget and it is a growing company that heavily invests in new equipment to remain competitive in the industry. Four C's strives to train its staff to elevate standards, performance, and increase the capacity of its shop to keep its competitive edge. Due to the economic slow down in the construction industry, Four C's believes this is the perfect time to upgrade the skill sets of its workforce. ETP funding is crucial to the company's ability to achieve these goals.

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

Four C's 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

Under Special Employment Training (SET) the company is not required to demonstrate out-of-state competition. In general, 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 76 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).)

However, Four C's is not asking for a wage modification.

Turnover Rate

The ETP program is designed to fund training for stable, secure jobs. Thus, the employer's turnover rate cannot exceed 20% annually for the facility where training is requested. But the Panel may accept a higher turnover rate if the employer provides evidence that the proposed training will significantly decrease the turnover, or if the employer experienced a singular reduction in workforce, or if industry data supports a higher turnover rate. (Title 22, CCR, Section 4417(a).)

In the previous year, Four C's experienced turnover at a rate of 22%. The 22% turnover rate was a result of recent lay offs. As a contractor, Four C's had been awarded projects for the State that were frozen in the budget crunch. Since the projects were put on hold, it had to lay off some of its staff. These staff will be brought back when the jobs are given the go-ahead by the State. If the Panel chooses to fund this training despite the company's high turnover rate, it may impose a penalty whereby failure to stay under a maximum rate will trigger forfeiture of 25% of the amount earned for each trainee.

The trigger rate is typically 20%, as measured by turnover during the final 12 months of the ETP Agreement. (Title 22, CCR, Section 4417(a).)

If the company exceeds the trigger rate, it will forfeit 25% of the amount earned for each trainee.

RECOMMENDATION

For the reasons set forth above, staff recommends approval of this proposal, including the turnover penalty if the company does not maintain at least a 20% turnover rate during the final 12 months of the Agreement.

DEVELOPMENT SERVICES

The company retained Strategic Business Solutions, L.L.C. in Exeter to assist with development of this proposal for a flat fee of \$5,000.

ADMINISTRATIVE SERVICES

The company also retained Strategic Business Solutions L.L.C. to perform administrative services in connection with this proposal for a fee not to exceed 13% of payment earned.

TRAINING VENDORS

To Be Determined

Exhibit B: Menu Curriculum

Class/Lab Hours

8 - 60 hours

BUSINESS SKILLS

- Improving Customer and Vendor Relationships
- Handling Special Orders
- Contract and Pricing Negotiations
- Forecasting and Projections
- Marketing Strategies
- Enhanced Product and New Customer Knowledge
- Effective Communications
- Interpreting Reports and Data

COMPUTER SKILLS

- Microsoft Office Suite – Intermediate and Advanced
- Upgraded User Applications
- MRP Computer Training
- Producing Management Reports
- Supply Chain Reporting
- Computer Assisted Machinery Programming
- Information Workflow

CONTINUOUS IMPROVEMENT

- Standards and Measurements
- Time and Motion Studies and Application
- Quality Control Systems
- Preventative and Corrective Actions
- Team Building and Problem Solving Skills
- Cost/Benefit Analysis
- Procurement Processes
- Lean Manufacturing Principles and Concepts
- Reducing Lead Times
- Production Math
- English as a Second Language (Cannot exceed 45% of total job skills training hours)

MANUFACTURING SKILLS

- World Class Manufacturing Practices
- Cross-Training in Production Equipment and Controls
- Cellular Manufacturing
- Materials and Product Flow Systems
- Production Standards
- Process Analysis and Review
- Quick Change Tooling Procedures
- Industrial Maintenance