



State of California
Employment Training Panel

Training Proposal for:
Impax Laboratories, Inc.

Agreement Number: ET09-0187

Panel Meeting of: **July 25, 2008**

ETP Regional Office: **San Francisco Bay Area**

Analyst: D. Woodside

PROJECT PROFILE

Contract Type: Priority/Retrainee

Industry Sector(s): Manufacturing

Counties Served: Alameda

Repeat Contractor: Yes No

Union(s): Yes No

Priority Industry: Yes No

No. Employees in CA: 580

No. Employees Worldwide: 766

Turnover Rate %	Manager/Supervisor %
14%	9%

FUNDING DETAIL

Program Costs	Substantial Contribution	Total ETP Funding
\$639,360	\$0	\$639,360

In-Kind Contribution
\$888,000

TRAINING PLAN TABLE

Job No.	Job Description	Type of Training	Average No. of Trainees	Range of Hours		Average Cost per Trainee	Post-Retention Wage
				Class / Lab	CBT		
1	Priority/Retrainee	Computer, Continuous Improvement, Manufacturing	444	24-200	0	\$1,440	\$14.02
				Weighted Avg: 80			

Minimum Wage by County: \$14.02 per hour for Alameda county.

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

\$1.58 per hour may be used to meet the Post-Retention Wage.

Other Benefits: 401K match up to 3% of salary.

Wage Range by Occupation	
Occupation Title	Wage Range
Technicians	
Associates	
Analysts	
Engineers	
Scientists	
Warehouse Staff	
Information Technology Staff	
Administrative Staff	
Managers/Supervisors	

INTRODUCTION

In this proposal, Impax Laboratories, Inc. (Impax) seeks funding for retraining as outlined below:

Since 1999, Impax has developed, manufactured, and marketed prescription pharmaceutical products. The company produces more than fifty different products using various delivery technologies including tablets, capsules, and powders. Impax specializes in controlled delivery tablets that are absorbed into the body at different rates. Examples of product treatments are for allergies, high cholesterol, central nervous system disorders, Parkinson’s disease, multiple sclerosis, epilepsy, attention deficit disorder, migraines, Alzheimer’s disease, depression, and schizophrenia.

Direct customers include wholesale distributors (Amerisource, Expert-med, McKesson, etc.) who in-turn, distribute to pharmacies and hospitals. Impax is headquartered in Hayward, California, where all training will occur. The facilities in Hayward include a 35,125 square foot

research and development facility, a 50,400 square foot manufacturing facility, and a 65,000 square foot warehouse.

Impax is eligible for ETP funding under Title 22, California Code of Regulations, Section 4416(i)(2) as a priority industry engaged in scientific research and manufacturing. The company is requesting ETP funds to provide training to transition to a high performance workplace and to remain competitive as it expands its operations in California.

PROJECT DETAILS

The company plans to expand considerably in size within the next five years and is requesting the Panel's assistance to provide classroom and laboratory training across occupations in new processes, computer, and manufacturing technologies as follows:

Continuous Improvement: All employees will receive training in quality improvement and Lean Manufacturing techniques to enhance problem-solving, team building, and decision making throughout the organization. Advanced statistical tools and Six Sigma training will be provided to key individuals who will take the role of experts as Impax moves to a high performance workplace.

Manufacturing: Impax representatives report that on average it introduces a new product on a monthly basis. Each product has different characteristics when moving through the manufacturing process. Examples are handling, equipment use, equipment cleaning requirements, packaging, and labeling. Anyone who comes into contact with the product will need additional training. Impax will also conduct extensive cross-training so that technicians will learn to use equipment in multiple areas. For example, a granulation technician will also learn the compounding and encapsulation processes. Such flexibility is an essential part of running a lean organization and makes for a higher level of job satisfaction. In addition, training in Good Manufacturing Practices, stringent record-keeping requirements, and the strict regulations imposed by the Food and Drug Administration will be reinforced throughout the training.

Computer Skills training will be provided to all trainees in the new enterprise resource planning system to be implemented during the next two years. In addition, training in the Sapphire LIMs (laboratory analysis) software will be provided to employees working in analytical and quality control.

Commitment to Training

Impax represents that ETP funds will not displace its existing financial commitment to training. Indeed, Impax anticipates that the opportunity for enhanced training made possible by ETP funds will encourage an ongoing financial commitment in this area. The company estimates training for the 2008/2009 period will cost \$1.3 million and Impax will continue to provide training in the follow areas: new employee orientation; manufacturing on-the-job training; safety and hazardous materials; management skills; clinical trials; technical skills transfer; forklift training; basic computer skills; anti-harassment; and special skills training held out of state. ETP funding will assist the company in maintaining its production levels while releasing employees for additional classroom/laboratory training in continuous improvement, new software, and manufacturing skills.

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

RECOMMENDATION

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

DEVELOPMENT SERVICES

Impax developed its own application.

ADMINISTRATIVE SERVICES

Impax will conduct its own administration.

TRAINING VENDORS

Trainers will be identified for ETP record-keeping purposes as they are retained by Impax.

Class/Lab Hours

24-200

Exhibit B: Menu Curriculum

Trainees may receive any of the following:

Continuous Improvement

- Lean Basics with Simulations
- Lean – Waste Recognition & Kaizen
- Lean 1 Star (Value Stream Mapping)
- Lean 2 Star (5S, SMED, Kanbans, Workplace Layout, Mistake-Proofing)
- Lean 3 Star (Complex Material Pull Systems)
- Six Sigma Green Belt (Statistical Techniques for Problem Solving & Quality Improvement)
- Six Sigma Black Belt (Advanced Statistical Tools)

Manufacturing Skills

- Quarterly Updates – Industry Standards
- GMP – Manufacturing Practices
- Product Specific Training
- Process Training
- Equipment & Room Changeover
- Batch Record Completion/Controlled Documents/Process Changes
- CAPA (Corrective Action, Preventative Action)
- Investigation Report “IR” Training (Awareness of Issues & Potential Issues to Avoid Quality Problems)
- Technician Self Maintenance (Routine Equipment Maintenance, Simple Troubleshooting)
- Laboratory Equipment Training
- Laboratory Incident Report “LIR” Awareness

Computer Skills

- Use of Current “PRMS” ERP System (Transactions, Receiving, Shipping, Planning, Purchasing)
- New ERP System (Complete Retraining Using “SAP” Software)
- Sapphire Software