



**Training Proposal for:
Structural Composites Industries L.L.C.
Agreement Number: ET09-0417**

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

ETP Regional Office: **North Hollywood**

Analyst: M. Tolentino

PROJECT PROFILE

Contract Type: Priority/Retrainee

Industry Sector(s): Manufacturing

Counties Served: Los Angeles

Repeat Contractor: Yes No

Union(s): Yes No

Priority Industry: Yes No

No. Employees in CA: 155

No. Employees Worldwide: 1,250

Turnover Rate %	Manager/Supervisor %
3%	8%

FUNDING DETAIL

Program Costs	Substantial Contribution	Total ETP Funding
\$281,160	\$0	\$281,160

In-Kind Contribution
\$325,000

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	Priority/Retrainee	Business Skills, Computer Skills, Continuous Improvement, Manufacturing Skills	142	24-200	0	\$1,980	\$14.18
				Weighted Avg: 110			

Minimum Wage by County: \$14.18 for Los Angeles 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

\$2.97 per hour may be used to meet the Post-Retention Wage.

Wage Range by Occupation	
Occupation Title	Wage Range
Administrative Staff	
Engineer	
Lead	
Manager	
Production Worker	
Supervisor	
Materials Management Staff	
Technical Staff	

INTRODUCTION

In this proposal, Structural Composites Industries L.L.C. (SCI) seeks funding for retraining as outlined below:

Headquartered in Pomona, SCI designs and manufactures lightweight, aluminum-lined composite-wrapped, high-pressure cylinders. The company is a subsidiary of Taylor-Wharton International L.L.C. of Pennsylvania.

SCI qualifies for standard ETP funding as a manufacturing company facing out-of-state competition under Title 22, California Code of Regulations (CCR), Section 4416(d)(1,2). SCI also qualifies for ETP's priority industry reimbursement rate.

SCI was formed in 1971 to commercialize and develop pressure vessel composites technology. In 1972, SCI was funded by NASA's Technology Transfer Program to develop a Fireman's Breathing Air Cylinder. SCI applications include: Self Contained Breathing Apparatus (SCBA)

for fire fighters, Alternative Fuel Vehicles, Aviation Cylinders, Cryogenic Structures, Home Oxygen Therapy, and Paintball Cylinders.

PROJECT DETAILS

SCI offers over 100 product lines to its customers. The customer list includes world leaders in transit bus, automobile, aerospace, and SCBA cylinder applications. According to SCI representatives, there is a strong demand for SCI products and the company is having difficulty keeping up with demand while reducing production time and producing high quality products.

SCI is expanding its alternative fuel tanks line because it has found that there are new markets being created for alternate fuel tanks. As companies and the country moves to clean fuel, a new need has been created to store the alternate fuels. Therefore, the company is in a growth mode due to the design and production of newly-developed alternate fuel tanks. Unlike other businesses in the current recession, SCI is growing and expects to double its workforce within the next five years.

To improve operating efficiency and product quality, SCI will be implementing Lean Manufacturing for the first time. The company will cross-train employees on new job skills so that they are able to support production demands. New processes and skill requirements are being incorporated into the production process and new computer applications and manufacturing procedures are being implemented.

SCI is requesting ETP funds to train 142 incumbent workers, as outlined below:

Manufacturing Skills training will enable leads, managers, production workers, supervisors, materials management staff, and technical staff to learn new manufacturing processes that will simplify production processes and improve product quality. Workers will also learn how to resolve production problems, use advanced equipment, understand new production policies, and technical specifications.

Continuous Improvement training will prepare all trainees for changes in processes and responsibilities and provide lean concepts to involve each worker in the whole manufacturing process while increasing their ability to perform multiple tasks.

Business Skills training will provide all trainees a better understanding of SCI products and the skills necessary to manage projects, identify problems, improve communication skills, and deliver customer service.

Computer Skills training will enable all trainees to be competent in utilizing the new or upgraded systems such as the inventory management software.

Commitment to Training

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

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

According to SCI representatives, the company does not have a training budget or any formal or

structured training for its workers. However, it spends approximately \$50,000 per year to provide training on an as-needed basis. This includes CalOSHA mandated training, general safety training, sexual harassment prevention, new hire orientation, production/on-the-job skills training, administrative on-the-job training, basic company policies, first aid, and business ethics.

The company will continue to provide this training during the term of the proposed ETP Agreement and will also provide other training not funded by ETP such as basic or beginning Word, Excel, Powerpoint, and Outlook.

RECOMMENDATION

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

DEVELOPMENT SERVICES

The company retained National Training Company, Inc. in Irvine to assist with development of this proposal for a flat fee of \$10,000.

ADMINISTRATIVE SERVICES

The company also retained National Training Company, Inc. to perform administrative services in connection with this proposal for a fee of \$36,500, not to exceed 13% of payment earned.

TRAINING VENDORS

To Be Determined

Exhibit B: Menu Curriculum

Class/Lab Hours

24-200 hours

Trainees will receive any of the following:

BUSINESS SKILLS

- Project Management
- Product Knowledge
- Decision Making/Problem Solving
- Business Reports
- Communication Skills

COMPUTER SKILLS

- Inventory Management Software
- Computerized Testing
- Handling Special Orders
- Material Planning
- MS Office (Intermediate and Advanced: Excel, PowerPoint, and Access)
- Project Management Applications
- Windows Server Support and Maintenance
- Network Devices
- CNC Winding Machine Software
- Raw Material Management Software
- Engineering Software
- Statistical Process Control Software

CONTINUOUS IMPROVEMENT

- Lean Manufacturing
- Structural Composites Systems
- Quality Systems Training
- Team Building
- Self-Directed Work Teams
- Kaizen Event Skill Training
- Statistical Control Systems
- Leadership Skills
- AS9100 Quality Standards
- Reducing Waste

MANUFACTURING SKILLS

- Product Fabrication
- Special Production Equipment/Tools
- Special Order Tracking
- Waste Management
- Material Planning
- Manufacturing Techniques

- Operating Test Equipment
- Testing Procedures
- Reducing Delivery Time