



Training Proposal for:
Guntert & Zimmerman, Construction Division, Inc.
Agreement Number: ET10-0252

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

ETP Regional Office: **Sacramento**

Analyst: K. Muraki

PROJECT PROFILE

Contract Type: Priority/Retrainee
 HUA - Retrainee

Industry Sector(s): Manufacturing

Counties Served: San Joaquin

Repeat Contractor: Yes No

Union(s): Yes No

Priority Industry: Yes No

No. Employees in CA: 156

No. Employees Worldwide: 156

Turnover Rate	Manager/ Supervisor
18%	2%

FUNDING DETAIL

Program Costs	Substantial Contribution	Total ETP Funding
\$111,600	\$0	\$111,600

In-Kind Contribution
\$124,000

TRAINING PLAN TABLE

Job No.	Job Description (by Contract Type)	Type of Training	Estimated No. of Trainees	Range of Hours		Average Cost per Trainee	Post-Retention Wage
				Class / Lab	CBT		
1	Priority/Retrainee	Business Skills; Continuous Improvement; Manufacturing Skills; Hazardous Materials; Computer Skills Commercial Skills	150	24 - 100	0	\$720	\$13.00
				Weighted Avg: 40			
2	Priority/HUA/Retrainee	Business Skills; Continuous Improvement; Manufacturing Skills; Hazardous Materials; Computer Skills	5	24 - 100	0	\$720	\$10.43
				Weighted Avg: 40			

Minimum Wage by County: The post retention minimum wage for San Joaquin County is \$13.00.

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

\$2.00 per hour may be used to meet the Post-Retention Wage in Job Number 1.

Wage Range by Occupation	
Occupation Title	Wage Range
Administration	
IT Staff	
Engineers	
Front Line Supervisors	
Production Staff	
Managers	
Office Staff	

INTRODUCTION

In this proposal, Guntert & Zimmerman, Construction Division, Inc. and its materials division, Guntert Steel (G & Z) manufactures special construction machinery for concrete road building, which includes a steel service center that provides steel and pre-production processing, seeks funding for retraining as outlined below:

G & Z was founded in 1942 by Mr. Ronald M. Guntert Sr. on Banner Island in Stockton. According to company representatives, the partnership of Hickenbotham Bros. and L.R.

Zimmerman fulfilled numerous contracts for the Navy and Army Transportation Corps for the construction of floating crane barges, landing crafts, inter-island supply vessels, and steel tug boats for the WWII war effort. In 1948, Guntert Sales Div. Inc. (Guntert Steel) was formed to augment G & Z's material requirements. At the war's conclusion, the company gained global recognition for innovative designs in canal, highway and airport trimming and paving equipment, as well as work in shipbuilding, dredging and other specialized construction machinery.

According to company representatives, a majority of the large water canals within California, the All American Canal, the Delta Mendota Canal, the Coachella Canal, etc., have been constructed using G & Z equipment. Many of the large highway construction contractors within the state such as Granite Construction, R&L Brosamer Inc., and Teichert, have and continue to use G & Z concrete highway paving equipment. The company's equipment is also used both nationally and internationally on large construction projects.

Company representatives assert that G & Z is developing a new business management philosophy to become a more efficient manufacturer. The company identifies itself as an employer of a diversely skilled workforce; they believe that they will achieve their goals by implementing new processes and skill requirements for all occupations. Additionally, the company has invested in and plans to invest in additional equipment to supplement manufacturing processes (e.g. laser cutter, horizontal boring mill, upright band saw, and future computer controlled equipment). If and when the company invests in new equipment, ETP funds may be used for initial operator training.

G & Z is located at a 22 acre site in Ripon and is eligible for ETP funding as a NAICS identified manufacturer as outlined under Title 22, California Code of Regulations (CCR), Section 4416(i)(1).

PROJECT DETAILS

G & Z's goals are to continue to provide an environment in which employees are given an opportunity to enhance their skill levels and become more competitive in today's job market. This proposal will offer advanced training in business and continuous improvement skills, manufacturing skills, hazardous materials, computer skills, and commercial skills. ETP funding will help offset the cost, which will help the organization prepare to meet its goals for the future.

Business Skills training will be utilized by all occupations. These skills will enhance communication skills with both internal and external customers and provide internal skill development on the company's scheduling system and business performance practices for company wide efficiency. These skills will develop G & Z's new business management philosophy to become a more efficient manufacturer.

Continuous Improvement training will involve all occupations. Participants will train in project management, process improvement, leadership, teambuilding, and problem solving. Trainees will improve or develop essential skills that will help them to become more effective leaders, which will result in less waste, reduced turnover, and enable the company to attain more skilled staff.

Manufacturing Skills training will provide skills to the production staff, engineering staff and frontline supervisors. This training will involve new processes to enhance the current product line, making the company more competitive in today's global market. G & Z representatives state that although some employees have had minimal electrical experience, additional training is required to provide knowledge of equipment wiring for the manufacturing functions. The

training will remain at the elementary level, due to the fact that the company's approach is to provide this level of training to a larger number of employees, rather than selecting a small number for more extensive training. This allows G & Z greater flexibility and efficiency. Also, additional skills will be needed to make a more flexible workforce and better prepare employees for upward mobility opportunities while providing a forum for more interaction between the occupations.

Hazardous Materials training will include Production staff and Front Line Supervisors. G & Z handles hazardous materials that include paint solvents, paint, hydraulic oils, and diesel fuels. Although staff has been trained in OSHA hazardous materials training, the specific handling of these materials is far and above OSHA standards.

Computer Skills training will include Administrative staff, Engineers, IT Staff, Office Staff, Front Line Supervisors, and Managers. This training will provide a framework to reduce waste and improve processes. This training will also enhance Engineer specific skills so that the company can develop new products and have a competitive advantage in today's global market.

Commercial Skills training will focus primarily on Engineering Staff. This training will help participants enhance their skills in manufacturing processes, specifically, training on new welding techniques and advanced processes of engineering designs.

Commitment to Training

According to company representatives, although G & Z currently does not have a training budget, its management committee decided three years ago that it should set aside funds to train managers and supervisors in interpersonal training (Dale Carnegie). Since the integration of this type of training, the company has experienced many improvements in employee morale, skill development, and increased production levels. Overall, the company invests in training its employees as necessary or when an employee has shown an interest in being trained. G & Z also requires all occupations to train in the required regulations to stay in compliance and prepare them to succeed in all aspects of their job. The company has placed a high priority on developing its staff in the past and will continue to do so in the future.

The company has provided the following training: Safety Training; Constraint Management (managers & supervisors) Phase I; Job Specific Forklift Training; Dale Carnegie (managers & supervisors); Job Specific Operator Training; Business Management (managers & supervisors); CPR/First-Aid (managers & supervisors); Velocity Scheduling System (managers & supervisors) Phase 1; and Job Specific Process Documentation Phase I.

G & Z representatives state that ETP funds will not displace its existing financial commitment to training. G & Z anticipates that the opportunity for enhanced training made possible by ETP funds will encourage an ongoing financial commitment in this area. G & Z represents that safety training is, and will continue to be, provided in accordance with all pertinent requirements under state and federal law.

High Unemployment Area

The 5 trainees in Job Number 2 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\(b\)](#).)

➤ Wage Modification

The Panel may modify the ETP Minimum Wage for these trainees by up to 25% if post-retention wages exceed the start-of-training wages by at least 7%. (Title 22, CCR, Section 4429(c).) G & Z is requesting a modification to the ETP Minimum Wage from \$13.00 per hour for San Joaquin County to \$10.43 per hour for trainees in Job Number 2. Company representatives state the trainees will earn \$9.75 per hour at the onset of training and will receive a 7% wage increase of \$.68 per hour after completion of the retention period, bringing the wage up to \$10.43 per hour.

RECOMMENDATION

For the reasons set forth above, staff recommends approval of this proposal, including the wage modification for trainees working in a high unemployment area of the state.

DEVELOPMENT SERVICES

N/A

ADMINISTRATIVE SERVICES

N/A

TRAINING VENDORS

To Be Determined

Exhibit B: Menu Curriculum

Class/Lab Hours

24 – 100

BUSINESS SKILLS

- ✚ Communication Skills
- ✚ Process Documentation
- ✚ Business and Scheduling Systems
- ✚ Business Performance
 - Through-Put Accounting vs. GAPP Accounting

CONTINUOUS IMPROVEMENT

- ✚ Project Management
 - Strategic Planning
- ✚ Process Improvement
 - Production Velocity Scheduling Systems
 - Constraint Management
 - Multi Functional Skill Development
 - Quality Concept
- ✚ Problem Solving
- ✚ Teambuilding
- ✚ Leadership
- ✚ Decision Making
- ✚ Coaching Procedures

MANUFACTURING SKILLS

- ✚ Cross-Training
- ✚ Parts and Product Manufacture
- ✚ Manufacturing Resource Planning and Practices
- ✚ Assembly Procedures
- ✚ Entry Level Electrical/Electronics
- ✚ Computer Numeric Controls (CNC) Machining
- ✚ Engineering Enhancement
- ✚ Specialty Equipment Operations

HAZARDOUS MATERIAL

- ✚ Hazardous Chemical Cleaning/Handling

COMPUTER SKILLS

- ✚ In-House ERP System VANTAGE
- ✚ Solidworks Engineering Software
- ✚ AutoCAD
- ✚ Engineering Software
- ✚ Multi-Media Skills
- ✚ Computer-Assisted Design Methodology

COMMERCIAL SKILLS

- ✚ New Welding Techniques
- ✚ Advance Process of Engineering Design

Note: Reimbursement for retraining is capped at 100 total training hours per trainee, regardless of delivery method.