REGIONAL EMPLOYMENT BOARD
OF HAMPDEN COUNTY, INC.

Precision Manufacturing Regional Alliance Project (PMRAP)

Memorandum of Agreement
Among the
Regular Member Companies of the
Western Massachusetts Chapter of the National Tooling and Machining Association

January 1, 2009- December 31, 2009

THE INDUSTRY

High technology precision manufacturing is one of the most important industry clusters in the Pioneer Valley Region. The high technology precision manufacturing companies in the Region, led by the Western Massachusetts Chapter of the National Tooling and Machining Association (WMNTMA), are contract manufacturers that are primarily engaged in supplying precision mechanical components and sub-assemblies to major commercial manufacturers, aircraft engine builders, and military equipment contractors in the United States and internationally.

The companies perform value-added precision manufacturing processes and operations utilizing high technology equipment and world class technology development. Currently, 90% of their business is located outside the Region, and 75% of their business is located outside Massachusetts.

The following data reflects the estimated CY 2008 employment level and gross sales for the Regular Member companies of the WMNTMA and is a significant indicator of the present strength of the precision manufacturing industry in the Region:

Gross Sales of Regular MemberWMNTMA Companies

Year	No. of Companies	No. of Employees	Estimated Gross Sales
2005	24	899	$108 Million
2006	29	993	$155 Million
2007	33	1281	$229 Million
2008	39	1386	$252 Million
Change '07-'08	(+) 6	(+) 105 (8.2%)	(+) $23 Million (10%)
Change '05-'08	(+) 15	(+) 487 (54.2%)	(+)$144 Million (133%)

THE STRATEGIC PRINCIPLES

The high technology precision machining companies have adopted the following strategic organizing principles that they believe will result in job retention, wealth creation, job growth, and continued economic development in the Region and in the State:

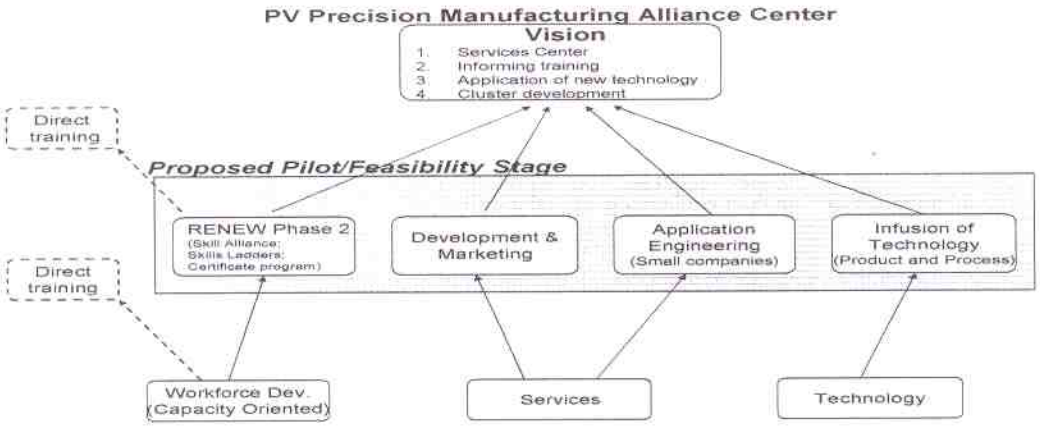
- Record growth in their principal market areas of aerospace and defense has created a new-found confidence in the members' perception of their global competitiveness, and has provided the impetus for long-term investment decisions.

- The companies must continue to develop new partnerships, embrace new technologies and business models, seek out new markets, and build a more responsive and integrated training infrastructure that can respond to the technical skills needed by our new technology and insure the availability and sustainability of a qualified and appropriately sized workforce.

- Their ability to respond to surges in demand in their present markets, and their capacity for product and market diversification and expansion are directly tied to their access to new technology and their ability to provide applications engineering support that will reduce cost, improve lead time and enhance the quality of their parts and components.

- Transparency, sharing of new technology and operational strategies, and cross fertilization of ideas and operations will benefit individual member companies and the precision machining cluster as a whole.

THE STRATEGIC VISION



The precision manufacturing companies are commitment to creating a set of operating conditions and an infrastructure that will allow them to achieve success in the innovation economy. To this end, the companies make the following Statements of Agreement and Collaboration in support of the implementation of Precision Manufacturing Regional Alliance Project (PMRAP).

STATEMENTS OF AGREEMENT AND COLLABORATION

The member companies of the Western Mass Chapter- National Tooling & Machining Association, and other precision manufacturing companies agree to the following:

1. Work in a spirit of collaboration, mutual support and trust with the educational institutions, economic development organizations, and workforce development entities that are partnering in the John Adams Innovation Institute Precision Manufacturing Regional Alliance Project (PMRAP).

2. Serve on the project **Steering Committee** and other committees that may evolve during the life of the project.
3. Provide technical direction and guidance in the development of a new **Certificate Program** in Mechanical Engineering Technology at Springfield Technical Community College.
4. Participate in the design and implementation of the **Technology Innovation Forums** that will result in identifying solution approaches to short and long term technology development issues, and provide a venue for on-going, structured dialogue and deliberation with the Departments of Mechanical and Industrial Engineering, and Polymer Science and Engineering at UMass-Amherst.
5. Participate with UMass to pilot a **Technology Transfer** project that will demonstrate the feasibility of transferring research discovery or new product invention from the lab to a small precision manufacturing company.
6. Participate actively with the PMRAP partners to study the feasibility of establishing a **Center for Advanced Precision Manufacturing Technology** that would become the convening venue for growth initiatives aimed at the infusion of new technology development and manufacturing applications, diversification of market opportunities, and implementation of various workforce development initiatives.
7. Participate in and attend trade shows and marketing events sponsored by the Economic Development Council of Western Massachusetts -**Home *Field Advantage*** program to market the Pioneer Valley Region as a "precision manufacturing hot spot".
8. Serve as members of the **Regional Precision Manufacturing Technology Advisory Council** that will provide industry guidance to regional educational institutions resulting in the implementation of student capacity building and retention initiatives, program quality metrics, and regional advocacy strategies.
9. Participate in the selection process to hire the **Technology Innovation and Applications Engineer** who will be responsible for accelerating technology development and transfer, and providing sector companies with direct, value-added applications engineering support.
10. Participate in the development of and be a signatory to the **Memorandum of Agreement** between the REB, WMNTMA and UMass-Amherst will result in the development of a framework and set of agreements and conditions that will direct the implementation of collaborative initiatives to provide new technology development and innovation services.
11. Provide technical guidance to the Project Manager in the development of the new **Market Opportunities** section on WMNTMA web site www.wmntma.org that will provide companies with information and data on domestic and international commodities markets.
12. Sponsor events and activities that recognize students, educational institutions and sector companies that are partners in the John Adams Innovation Institute Precision Manufacturing Regional Alliance Project.
13. Conduct an annual half-day **Industry Focus Forum** for company owners to discuss issues of mutual interest in the precision manufacturing industry, and to develop collaborative strategies to achieve future success in the innovation economy.
14. Conduct company tours and open houses for WMNTMA member companies, and other precision manufacturing companies, to develop opportunities for a collaborative exchange of information and technology that will strengthen the company's capacity to expand and transform their business.
15. Work collaboratively to promote and market the high technology precision manufacturing industry to elected state and local public officials, economic development agencies, public policy groups, and educational institutions.
16. When possible, provide paid release time for employees who may be involved in specific aspects of the design and implementation of selected PMRAP work tasks and initiatives.
17. Donate tooling, supplies and equipment to educational institutions partnering in PMRAP, which will strengthen the manufacturing/machining program curriculum and improve the quality of student instruction.