

CII Governance Plan

October 9, 2017

PREFACE

The Construction Industry Institute (CII) is an officially designated Organized Research Unit in the Cockrell School of Engineering at The University of Texas at Austin (UT-Austin). CII is a consortium of companies that rely on capital projects to generate business value. CII's focus is on the practices required to plan and execute these projects. Its funding is derived from three sources:

1. Unrestricted grants from member organizations in the capital projects industry
2. Externally funded research grants
3. Licensing of copyrights, patents, and software

Vision: CII envisions a construction industry that builds predictable value for society and stakeholders.

Mission: The mission of CII is to inspire owners, service providers, and academia to collaborate through research to produce best practices and implementation resources, creating innovative solutions that tangibly improve safety and capital efficiency.

The **CII Governance Plan** is intended to provide a general format and, when combined with the mission and vision statements above, to give a sense of direction that leads to the realization of the Institute's vision. The plan relates to the Board of Advisors—its organization, functions, and activities. It is not intended to prescribe activities, operating procedures, or decisions that are the prerogative of the Director and The University of Texas at Austin, or to preclude the Board of Advisors' right to deviate from the plan.

MEMBERSHIP in the Institute is open to owner and service provider organizations that are committed to the safety and efficiency of the capital projects industry.

Institute membership, insofar as possible, reflects a diversified cross-section of the capital projects industry. Membership selection considers the prospective member's classification, size, industry sector, and geographical areas of interest. Membership is balanced, to represent a broad view of the industry. Members may be owners (including government agencies) or service providers (architect/engineers, engineers, designers, constructors, consultants, suppliers, and financial or technical services). An appropriate balance of influence between owner and service provider members is maintained.

There will be three levels of membership:

1. Large Companies whose annual revenues exceed \$100,000,000 per year
2. Small Companies whose annual revenues are \$100,000,000 or less
3. Breakthrough Companies who bring innovation to the capital projects industry and whose annual revenues are \$20,000,000 or less. These companies will have specific, limited member privileges. Breakthrough Companies do not have a representative on the CII Board of Advisors (BOA).

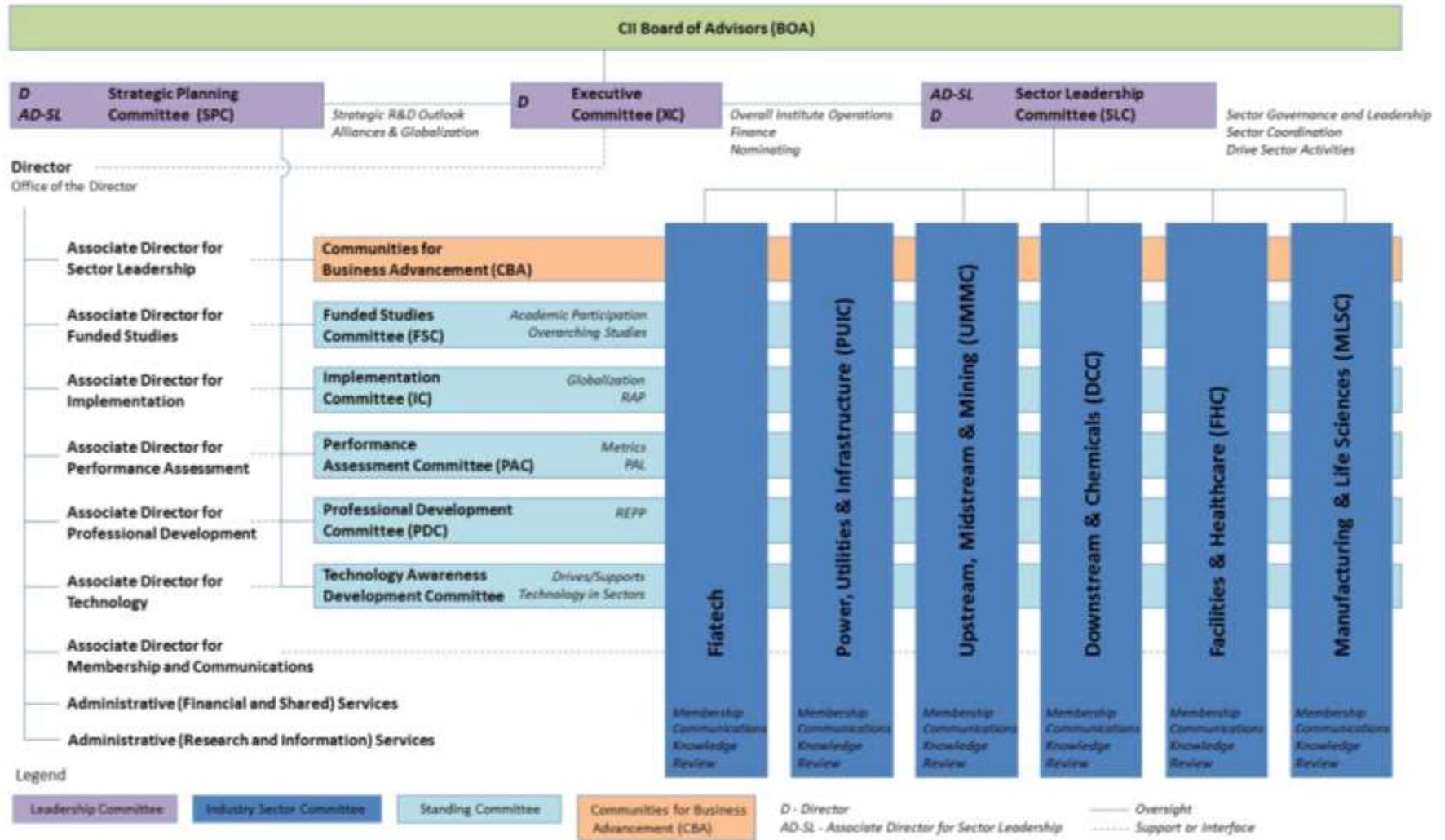
As desired, program areas of the Institute may be extended to reach beyond member organizations to collaborate with selected individuals, academics, and groups within the capital projects industry.

CII ORGANIZATION

Figure 1 contains a diagram of the functional and reporting relationships among CII standing committees, sector committees, and staff roles in planning and executing the work of the institute.

Figure 1. CII Organization

CII ORGANIZATION



The **BOARD OF ADVISORS** is responsible for all activities of the Institute. Each large or small member organization is limited to one vote, but entitled to designate one principal and one or more alternate representatives. Member representatives hold senior management responsibility, are involved in the capital projects processes and programs of their organizations, and are positioned to commit their organizational resources to CII activities. The Board of Advisors (BOA) meets in person at least once each year. Its Chair and Vice Chair (the CII Chair and CII Vice Chair) are elected by the membership from amongst the Executive Committee (XC) and also serve as Chair and Vice Chair of the XC. The BOA annually approves the Institute's budget and elects the leadership of the Institute. All committee formation and dissolution is approved by the BOA.

The **EXECUTIVE COMMITTEE**, representing the BOA, provides leadership and direction for all Institute activities. The Executive Committee (XC) consists of 12 members (six owners, five service providers, and a non-voting Academic Advisor appointed by the Dean of the Cockrell School of Engineering at UT-Austin), including a chair and a vice chair. Candidates are elected by the BOA to serve three-year terms. To the extent possible, terms are rotating and staggered. Nominations for new XC members are received and approved by the XC. Membership to the Institute is approved by the XC by majority vote. The XC meets regularly, normally not less than six times per year. Meetings are held at the call of the CII Chair. The XC is also responsible for oversight of the finances of the Institute. This includes monitoring the income and expenses of the Institute, through the examination of staff-prepared budgets, funding of appropriate activities, and auditing of financial transactions.

The **CII CHAIR** is responsible to the BOA for the operation of CII in accordance with the Strategic Plan and the Governance Plan. To carry out these responsibilities, the Chair does the following:

- Provide leadership to assure mission accomplishment (see Preface)
- Chair all meetings of the XC and the BOA
- Consult with the Director, as appropriate
- Create *ad hoc* committees when necessary

The CII Chair continues to serve as a member of the XC for the year following his or her term.

The **CII VICE CHAIR** assumes the responsibilities of the CII Chair in the Chair's absence or when so requested by the Chair, the Director, or the XC. The CII Vice Chair also performs such additional duties as are delegated by the Chair. The Vice Chair becomes Chair the year following, with the approval of the BOA.

The **DIRECTOR** provides day-to-day leadership and manages ongoing activities of the Institute and, to the extent consistent with the law and The University of Texas at Austin policy and procedures, implements decisions made by the BOA and the XC.

The Director is responsible for interface directly with the XC, the SPC, and the SLC. The Director is also responsible for interfaces with all member committees, either directly or through CII staff assignments, as appropriate.

The Director is responsible for recruiting, supervising, and directing the staff in performance of their duties and reports to the Dean of the Cockrell School of Engineering at The University of Texas at Austin.

The Director, in coordination with CII's Associate Directors, is responsible for all functions related to the participation of academic personnel. Typically, the incorporation of academic personnel is through The University of Texas at Austin; however, participation includes academic institutions across the globe, consistent with CII's international outreach initiatives.

The **CII ASSOCIATE DIRECTORS and STAFF** (described more fully below) perform duties assigned by the Director.

The **SECTOR LEADERSHIP COMMITTEE** is comprised of prior leaders from each Sector Committee, the Director, an Academic Advisor, and additional at-large members from the BOA. The Sector Leadership Committee (SLC) coordinates and communicates plans and actions amongst the Sector Committees. The selection and arrangement of individual sectors may expand or contract to reflect CII's membership, as determined by the SLC and approved by the XC and BOA. While the total budget allocated to CII's Sector Committees (SC) is approved by the BOA, the budget for each SC is allocated by the SLC in accordance with the Institute's priorities. This distribution of budget to the Sector Committees (SC) will be informed by the proportion of members participating in each SC.

The SLC approves sector-specific research and development requests from SCs and allocates funds approved by the XC and the BOA. The SLC may determine that a commonality of interest exists amongst several SC's and the committee will aid the coordination of research and development efforts. The SLC is responsible to the BOA, through the XC, for the oversight of SC research and development.

INDUSTRY SECTORS

The **SECTOR LEADERSHIP COMMITTEE**, more fully described above, provides oversight for the Sector Committees.

The **SECTOR COMMITTEES** develop policy and programs related to their specific sectors of the capital projects industry. Each Sector Committee (SC) is administered by an assigned Associate Director (AD). The ADs rotate across the SCs on a regular basis at a frequency determined by the XC and approved by the BOA. Each SC has a Chair, Vice Chair, and an Academic Advisor to lead and conduct the business of the committee.

The SCs are organized as follows:

- Fiotech (Technology Sector)
- Power, Utilities, and Infrastructure
- Upstream, Midstream, and Mining
- Downstream and Chemicals
- Facilities and Healthcare
- Manufacturing and Life Sciences

Each SC is chartered to advance the business imperatives of each sector. The Fiotech sector is unique as it is chartered to advance technology for the benefit of the members of the Institute. Each sector conducts a limited number of initiatives at any given time. Each initiative represents a key business imperative for the capital projects in that sector. Every initiative is developed to be fully formed. Each sector initiative includes a strategy and a design for implementation of findings with the intention to realize specific business outcomes. This may entail:

- The creation of products and services to optimize implementation of its findings
- Key performance indicators to aid implementation and use
- Demonstrations or case studies of early adoption, including lessons learned

Members of each SC collaborate with the AD for Membership and Communications to create campaigns that communicate and support committee initiatives.

Each SC annually reviews the CII Knowledge Base as assigned by the SLC to ensure the applicability and relevance of existing CII knowledge to its specific sector. Each SC may also further develop existing knowledge areas, tailoring them to better serve its members.

The **STRATEGIC PLANNING COMMITTEE** is comprised of prior leaders from each Standing Committee, the Director, an Academic Advisor, and additional at-large members from the BOA. Members of the Strategic Planning Committee (SPC) serve three-year staggered terms. One of these members serves as the Strategic Planning Committee (SPC) Chair.

The SPC is responsible to the BOA, through the XC, for the development, evaluation, and update of the CII Strategic Plan and CII Governance Plan.

The SPC is responsible for identifying and developing Strategic Research and Development opportunities that increase the value received by Institute members. The SPC works closely with the Sector Leadership Committee to maintain an awareness of relevant matters and priorities of the Sector Committees.

The SPC provides member-led oversight to the Standing Committees. Additionally, the SPC interfaces with the Fiotech Sector Committee to align Institute efforts related to innovation for the capital projects industry. The SPC also provides oversight of the CII Communities for Business Advancement (CBA).

The SPC establishes performance measures and reports results annually to the BOA.

CII ASSOCIATE DIRECTORS AND STANDING COMMITTEES

The **ASSOCIATE DIRECTOR FOR SECTOR LEADERSHIP** is responsible for the overall coordination of Sector Committees, working with the Director and Staff. The AD for Sector Leadership supports the SLC and the SPC to enhance the administration of the Institute.

The AD for Sector Leadership oversees the **Communities for Business Advancement** (CBAs). Annually, the AD for Sector Leadership assesses each CBA's value versus cost of continuation, then recommends its continuation or dissolution to the SPC. The AD for Sector Leadership makes recommendations to the SPC regarding CBA chartering, launch, and dissolution.

COMMUNITIES FOR BUSINESS ADVANCEMENT promote collaboration on current problems through productive inquiry and enhance the speed of knowledge sharing and transfer among CII members. CBAs produce research topics and programs for consideration by CII for overarching initiatives or directed to selected committees as necessary. The CBAs will also be responsible for delivering business solutions into the membership based on project initiatives they have undertaken. Each CBA has a Chair, Vice Chair, and an Academic Advisor to lead and conduct the business of the community.

The **ASSOCIATE DIRECTOR FOR FUNDED STUDIES** is responsible for administering funded studies, whether they are funded through member resources or external grants. The AD for Funded Studies is also responsible for the relationship with researchers, ensuring their work supports the capital projects industry.

CII operates as the research and development center for the capital projects industry. As such, the AD for Funded Studies is responsible for several key CII functions:

- Identification and development of funding opportunities from research sponsors, which may include governments, industry, universities, and associations
- Coordination and allocation of financial and other resources to the pursuit of research topics, which may be overarching or industry sector-specific
- Assurance that high academic rigor is maintained in all aspects of CII funded studies
- Oversight of assignments to research teams, and ensuring that universities are appropriately represented in the delivery of funded research
- Maintaining academic relationships (supporting the Director) with The University of Texas at Austin and other institutions of higher learning

The **FUNDED STUDIES COMMITTEE** is a standing committee responsible for planning and administering overarching funded studies on behalf of all members of the institute. The fundamental intent of a CII funded study is to create and drive value to the business communities represented across CII's membership. In this pursuit, the Funded Studies Committee (FSC) also works with the SLC and the SCs to assist in the planning and administration of sector-specific research activities. The FSC plans and orchestrates the creation of research teams as necessary and oversees research activities through to their successful completion.

The primary role of the FSC is the delivery of valuable, innovative research and development findings and content. The FSC works with selected Associate Directors and their designees regarding academic participation, to assign appropriate academic personnel to funded studies and to assure the high quality of research required of CII products and services. The FSC has a Chair, Vice Chair, and an Academic Advisor to lead and conduct the business of the committee.

The **RESEARCH TEAMS** are *ad hoc* groups composed of member representatives, one or more academics, and other support personnel assembled by the staff to study a research area approved by the BOA or an SC. Each research team (RT) is designed to conduct research on one or more specific project(s) assigned by the FSC or an SC in conjunction with the SLC. The general responsibilities of an RT include:

- Establishing value versus cost and timing early in the research, to confirm viability
- Guiding and providing data to the research effort. This may be coordinated with the SCs or the FSC.

- Ensuring completion of the research effort, including a report that evaluates the value of the research from an industry perspective. Where needed, this report may provide insights regarding the implementation of the research findings, contribute ideas for educational efforts, and/or provide additional recommendations.
- Assessing its findings' potential for education, implementation, and performance assessment efforts

Individual RTs may call upon the entire resources of CII, its Associate Directors, standing committees, and SCs, as needed for the successful completion of their work. Each RT will work with CII staff to ensure that the work it performs is of the highest quality and suitable for acceptance by the capital projects industry at large. Each RT aspires to develop innovations, rather than incremental improvements to existing practice.

RT funding is typically generated through member contributions or external research grants. Targeted and specific studies may also be funded by individual member or non-member entities affiliated with the capital projects industry.

The **ASSOCIATE DIRECTOR FOR IMPLEMENTATION** is primarily responsible for assuring that member companies deploy CII's research, products, and services in a manner that measurably improves their business performance. In this regard, this AD must design the modes of implementation in concert with the Director, Associate Directors, standing committees, and SCs, so that member improvement efforts will succeed.

The AD for Implementation manages the Implementation Committee (IC), working with it to provide member support to the SCs.

The AD for Implementation oversees the planning and implementation of the **Registered Advisor Program (RAP)**. The RAP comprises select consultants capable of implementing CII tools, methods, and change programs where this support is useful in attaining value for organizations.

The AD for Implementation is also responsible for planning and executing CII's global outreach strategy in concert with the SPC. The AD for Implementation develops relationships to enable CII's benefits to improve capital projects practices internationally.

The AD for Implementation coordinates implementation events.

The **IMPLEMENTATION COMMITTEE** assures that members derive measurable business results from their deployment of CII research, products, and services. The Implementation Committee (IC) works with the AD for Implementation to design modes of implementation that deliver successful member improvement. The IC identifies, plans, and coordinates the implementation activities of the Institute, suggests new implementation efforts, and assembles *ad hoc* implementation teams, as needed. The IC also measures implementation effectiveness to assure that business results are realized.

The IC supports SC dissemination of CII material and resources. The IC looks beyond the capital projects benefits of CII research, and toward member company business investment value, in order to optimize the yield made through member company investments. The IC has a Chair, Vice Chair, and an Academic Advisor to lead and conduct the business of the committee.

The IC interfaces with CII member companies and SC initiatives to improve the implementation of CII practices, tools, and resources. This can be done in the following ways:

- Advising and counseling standing committees, RTs, and SCs to design end products fit for implementation
- Giving support to determining member-company needs for implementation, on either an overarching or sector-specific basis
- Encouraging member companies to utilize resources from the Registered Advisor Program (RAP) where their support and change processes are useful

The IC works with the AD for Implementation to support implementation training, event development, and the marketing of implementation benefits during the annual conference and other events.

The **ASSOCIATE DIRECTOR FOR PERFORMANCE ASSESSMENT** measures the business impact of CII's research, products, and services. CII is committed to establishing value to member businesses through capital projects planning and execution. Measuring the effectiveness of our work products both drives CII's actions and quantifies their impact.

The AD for Performance Assessment institutes policy and procedures, provides oversight, and recommends strategic approaches to CII's collection, analysis, and dissemination of industry data. The AD for Performance Assessment develops key metric definitions to guide the effort, and identifies the critical measurements needed to support the validation of innovation and business value. The AD for Performance Assessment also provides oversight for the training of industry and member representatives, for the implementation of CII benchmarking, and for the interpretation and dissemination of benchmarking results.

The AD for Performance Assessment provides functional support to the Performance Assessment Committee and SCs. Functional support includes communication and coordination of functional activities across the field of performance metrics: evaluation and assessment practices.

The AD for Performance Assessment develops **Performance Assessment Labs** to extend the reach of CII's business impact across industry sectors and internationally.

The **PERFORMANCE ASSESSMENT COMMITTEE** measures the business impact of CII research, products, and services across the capital projects industry, establishing CII's value to member businesses through the measurement and assessment of capital projects planning and execution practices.

The Performance Assessment Committee (PAC) works with the SCs to provide expertise, methods, and tools to accomplish the assessment of member projects consistent with overarching CII approaches. Through its outreach efforts, the PAC encourages SCs to utilize CII assessment tools for individual projects; industry relevant data collection, retention and distribution; as well as specialized studies as may be requested by SCs. PAC also works with the AD for Performance Assessment and others responsible for performance assessments in order to gain access to CII subject matter experts, repositories of tools, and methods and information. The PAC has a Chair, Vice Chair, and an Academic Advisor to lead and conduct the business of the committee.

The **ASSOCIATE DIRECTOR FOR PROFESSIONAL DEVELOPMENT** is responsible for the dissemination of CII's research, products, and services among capital projects industry professionals. The Institute generates increased business value for its members through improved utilization of CII research, products, and services. The AD for Professional Development uses traditional and non-traditional methods of distribution, including online education and social media, to increase the use of CII materials.

The AD for Professional Development provides functional support to the Professional Development Committee and SCs, including communication and coordination of personal and professional development activities, and organizational development for the application of CII practices.

The AD for Professional Development oversees the **Registered Education Provider Program**, (REPP) that comprises select independent trainers capable of teaching the use of CII tools and practices to capital projects industry professionals.

The AD for Professional Development works with the Professional Development Committee to bring state-of-the-art practices, training, and continuing education skills to the international capital projects community. The AD for Professional Development coordinates educational events.

The **PROFESSIONAL DEVELOPMENT COMMITTEE** supports the dissemination of CII research, products, and services to capital projects industry professionals. The Professional Development Committee (PDC) guides policy and programs related to CII's educational and leadership development function, liaising with individuals, institutions, and organizations active in capital projects education.

The PDC supports the AD for Professional Development in the provision of educational services to the capital projects industry. The PDC works with SCs to provide subject matter expertise for the SCs' education needs, supporting them with the planning and execution of educational initiatives that suit their needs. The PDC identifies, evaluates, and implements changes in the educational delivery functions, chooses subjects for new educational vehicles, and recommends creation of *ad hoc* education teams, as required. The PDC has a Chair, Vice Chair, and an Academic Advisor to lead and conduct the business of the committee.

The **ASSOCIATE DIRECTOR FOR TECHNOLOGY** is responsible for seeking out existing and emerging technologies across a broad range of industries which will drive productivity and efficiency improvements for CII member companies. The AD for Technology develops relationships across sectors to gain access to the latest data on existing and emerging technologies and industry best practices. In addition, the AD for Technology role supports research and development projects that advance technology in support of CII member companies.

The AD for Technology provides functional support to the Technology Awareness Development Committee (TADC) and SCs by evaluating member company needs and helping to match these needs with existing or emerging technologies.

The **TECHNOLOGY AWARENESS DEVELOPMENT COMMITTEE** is responsible for identifying and fostering adoption of known technologies for specific project application across the CII membership. The intent is to identify and aid development and deployment of

technologies that increase productivity and efficiency across CII member companies. This may include: hardware, software, human advancements (such as behavioral or learning), mobile platforms, or combinations of technologies that may be useful to the industries served by CII.

The TADC supports the AD for Technology in the evaluation of CII member company needs. The TADC has a Chair, Vice Chair, and an Academic Advisor to lead and conduct the business of the committee.

The **ASSOCIATE DIRECTOR FOR MEMBERSHIP AND COMMUNICATIONS** is responsible for the following deliverables:

- Delivering marketing and communications expertise and thoroughness to CII's work, with a focus on retaining and expanding membership by increasing satisfaction with CII's value to their businesses
- Communicating the value of CII research, products, and services to member companies for their capital projects, operations, and businesses
- Enhancing CII's products, services, and events by improving their appearance and usability, and thereby encouraging member adoption of research findings and implementation techniques

The AD for Membership and Communications is a marketing and communications professional that brings expertise in internal and external communications, as well as the use of social media for the benefit of CII's membership. The AD for Membership and Communications works with the SCs to provide functional support to their marketing and communications needs with tools, information, and expertise applied to their initiatives. The AD for Membership and Communications supports other committees and CII staff, to increase attendance at events and to assure the quality of delivery of information needed by the capital projects industry.

OFFICE OF THE DIRECTOR

The following departments and activities are within the reporting scope of the Director and, in part, constitute the Office of the Director.

ADMINISTRATIVE SERVICES provides the administrative support required for conducting the work of CII, including accounting, office management, personnel management, contracts, procurement interface with The University of Texas at Austin and other entities working with CII, and other duties as required. Administrative Services supports membership activities related to CII business coordination and communications as managed by the Director, balanced to consider value for cost. Administrative Services is envisaged to include information services, financial services, research services, and shared services.

PIP is a consortium of companies, organized under the Institute inside the Cockrell School of Engineering at The University of Texas at Austin. PIP harmonizes its member companies' internal standards for design, procurement, construction, and maintenance. PIP membership, funding, and governance are separate and apart from the Institute. PIP is managed by a Director who also serves as an Associate Director of CII.

The **Center for Construction Industry Studies** is a research center, organized under the Institute inside the Cockrell School of Engineering at The University of Texas at Austin. The Center for Construction Industry Studies (CCIS) exists to facilitate and administer externally

funded research grants for faculty in The University of Texas at Austin's Construction Engineering and Project Management (CEPM) program. CCIS is administered by a faculty member of the CEPM program and is governed in accordance with University of Texas at Austin rules for Organized Research Units (ORU). CCIS reports to the Dean of the Cockrell School of Engineering through the Institute.

ALLIANCES are established multilaterally when CII and one or more other organizations see such a commonality of interest that a formal, durable liaison relationship is useful. Alliances take several forms:

- Academic – where CII may form an alliance with one or more academic institutions
- Associations – where other cooperative entities form an alliance with CII
- Global organizations – where regions desire to build capability in CII respective industries for the purpose of facilitating commerce
- Industrial – where a group of companies combine for the purpose of facilitating specialized industry capabilities

The Director, working in concert with the XC, recommends the establishment of alliances in accordance with guidelines of UT-Austin. Alliances are approved by the BOA.