The Contractor’s Stake in the CII

This New Organization is Geared to Fact-Finding and Research

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Despite their frequent protestations to the contrary, contractors have more to do with the cost of construction than anyone else in the construction industry. While it is true that the Owner and the Architect-Engineer define a project and give it its character, it is the Contractor who is the focal point for both construction and all related costs. Therefore, it is no surprise that the Construction Industry Institute listens carefully to what contractors think, believe, say, and do, when it comes to construction cost effectiveness.

Since its founding three years ago, the Construction Industry Institute has had as its single purpose to improve the cost effectiveness of the construction industry. As everyone in the industry knows, its cost effectiveness reflects those of thousands of organizations, whose performance varies not only from one to another, but often from project to project and from time to time. Nevertheless, everyone also recognizes that in the industry there are practices that can be improved, arrangements that can be strengthened, and technologies that can be advanced. Those are the areas in which the Institute is working, and where it has begun to publish its recommendations. In a majority of cases, contractors are the key to making the recommendations work.

About the CII . . .

The most unique thing about the CII is its unique position in the industry. It is the only organization where contractors and owners have joined forces, not for their own proprietary reasons, but to benefit the industry as a whole. The CII grew out of The Business Roundtable’s landmark Construction Industry Cost Effectiveness Project, which was completed in 1983. The CICE Project called for a permanent body to continue the work which had begun with the project’s 223 recommendations. A group of owners’ and contractors’ representatives selected the University of Texas as the location for the permanent body. This was the start of what has become a successful partnership between them and the academic community, concentrating chiefly on research and fact-finding.

There are now 27 owners and 31 contractors who make up the member companies of the Construction Industry Institute. There are 22 academic institutions with which the Institute has research agreements. Substantially all areas of the United States are represented.

Research and Construction . . .

American universities have always conducted research in the fields of science and engineering, including some research of interest to the construction industry. The United States Government maintains several laboratories dedicated to building research. Other organizations, such as contrac-
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tors’ associations, professional societies, private laboratories, and some labor organizations, have contributed to the current body of knowledge. But up to now, the bulk of research has been by individual companies in an attempt to obtain or increase a market share. The best examples of these would be the manufacturers of building materials, construction equipment, and, nowadays, computer hardware and software. Most of their research, by and large, tends to accept the construction industry the way it is; they work on various problems, product applications, or improved techniques, and, through the years, they have contributed handsomely to the advancement of the industry.

The Construction Industry Institute is concerned with research of a broader or more fundamental nature, as long as it is likely to have a practical payoff in improved cost effectiveness. At first the CICE project, and now the CII, have taken a careful look at the entire design-construction process; the idea is to find where it is strong, where it is weak, and where more information is necessary to make a determination. The ultimate objective is to bring change to the industry based on convincing research. Each step of research, when properly implemented, should help move the construction process into more desirable patterns, which can then be fine tuned for increased cost effectiveness. This should make the construction business somewhat more predictable, with fewer wide-swinging variables to jeopardize the success of a project and the contractors who have put themselves at risk.

What the CII is Doing . . .

The member companies of the CII are underwriting the expense of this research. In each case, the research is planned and directed by special purpose task forces, but it is carried out through the research staffs of the participating academic institutions. These are the names of the task forces, and what each plans to accomplish:

- CICE Impact Evaluation — find out how well contractors and owners have accepted the findings of the CICE project, and what are they doing as a result

- Productivity Measurements — develop a way to measure productivity and then a way to make sure that measurement is valuable to the users

- Model Plant — develop a procedure so that change can be evaluated by measuring it against a typical standard plant

- Constructability — make certain that the contractor’s knowledge and ex-
perience are reflected in the project’s planning and design.

Data and Statistics — improve the industry’s communications by standardizing on various terms, measures, and meanings. Develop useful industry statistics, etc.

Contracts — analyze what contract arrangements are best for all parties to the project, and see that the risks are distributed fairly.

Cost & Schedule Controls — how can contractors (and others) develop optimum project strategies; how can they best deal with changes.

Materials Management — what works best and what are the benefits in improved management.

Design — what makes good designers and good design; how can contractors make sure it happens.

Technology — what are the most likely areas for practical, successful advances (this task force is now gathering basic information).

Quality Management — define cost effective quality; how can a contractor recognize problems and measure accomplishments.

Employee Effectiveness — a new Task Force is looking into drug and alcohol abuse and will propose a project for all employees.

Safety — it’s just as important for subcontractors; it can be just as successful and is cost justified.

Project Organization — Task Force recently organized.

Education and Training — Task Force recently organized.

What This Means to You . . .

If we are ever going to improve the cost effectiveness of the construction industry, we will need the participation and support of every segment of the industry which can make a contribution. Owners, architect-engineers, contractors, labor, government, vendors and suppliers all have their part to play. But the biggest part will remain that of the contractors, because of their position in the industry, and because of what the owners will expect of them. No matter how much research the CII may conduct, there will be little progress unless contractors take the initiative to innovate. However, the owners, who have perhaps even a greater stake in cost effectiveness than do their contractors, can be expected to show a preference for those contractors who take a lead in implementing CII and CICE recommendations.

The CII is determined to make their recommendations practical, realistic, and economically attractive to the parties concerned. The concept of task forces, drawn from the ranks of both owners and contractors, should make sure that this is the case. The CII has also set high standards for whatever form the products of the task forces may take—publications, conferences, special projects, and so on.

In addition to the contractors who are member companies of the CII, many contractors’ associations are affiliated through the Contractors’ Association Advisory Council of the CII, including AWCI. This council is intended to give every contractor the opportunity to participate, if by no other way, by listening and being listened to. In the future, participation will mean more than that; it will mean helping develop and implement the CII’s recommendations. This should make those contractors who do, less adversarial and more competitive.