

MANDATE STATEMENT

CONSTRUCTION INDUSTRY TRAINING ORGANIZATION

October 2006

1.0 Purpose of Statement

The Construction Industry Training Organization (CITO) is sanctioned as an Industry Training Organization (ITO) by the Industry Training Authority (ITA), pursuant to the *Industry Training Authority Act*, and the provisions of Policy ITO 6000 (Approval of ITO and assignment of Responsibility for Industry Training Programs). This ITO will assume responsibility for institutional-commercial-industrial (ICI) and related types of construction in British Columbia.

This Mandate Statement defines how CITO will provide industry leadership and active engagement in defining and meeting relevant training needs, in part through assuming responsibility for specified trades.

Agreement on this mandate follows extensive discussions between the ITA and sectoral associations regarding high-level objectives and governance for the ITO, and reflects a shared commitment to increase training participation and improve training outcomes in the industry.

An 11-member board of directors has been appointed and is proceeding with an implementation plan that will result in the timely assumption of responsibilities on the part of the ITO.

2.0 The ICI Construction Industry and Related Trades

2.1 Industry Scope

The construction sector is among the largest and most vibrant components of the BC economy today. Construction is both the means of creating the infrastructure on which productivity and quality-of-life depend, and a key driver of economic activity in its own right. Yet the scope and significance of the sector is commonly under-appreciated.

CITO will assume responsibility for training needs in most segments of the construction sector, including institutional construction (public facilities), commercial construction, industrial construction, multi-unit high-rise residential construction, road and highway construction, and bridge and other forms of civil construction. This excludes only low-rise residential construction, for which the separate Residential Construction Industry Training Organization (RCITO) has already been established. CITO is therefore tasked with meeting training needs across a particularly broad and multi-faceted sector.

Collectively, the construction industry directly employs more than 140,000 British Columbians – accounting for eight per cent of the entire workforce, and more employment than that accounted for by several primary resource sectors combined. There has been steady and accelerating growth in construction-sector employment since 2001, with the addition of 40,000 new construction jobs in 2004 alone. Construction wages are typically highly competitive, and total nearly \$3 billion annually in BC.

Activity levels in ICI construction are expected to remain strong in the years to come, driven as they are by significant public and private investments including Olympic venues and other public facilities, large-scale resource and industrial development, and

diverse transportation and goods-movement infrastructure. The most recent update to the BC Major Projects Inventory identified a record 769 capital projects, either planned or under construction in the province, with a capital value exceeding \$100 billion – and representing a 23 per cent increase in the number of projects over one year earlier.

Construction sector activity is dispersed across the province. Employers range from some of the province’s largest through to small owner-operated enterprises. Workplaces are both open shop and unionized and are often differentiated based on trade or project-type specializations.

2.2 Occupational Scope

It is likely that CITO will have the broadest scope of operations of any ITO that is likely to be formed. ICI construction projects are one of the most common workplaces for a group of trades that together account for more than half of all current apprentices.

CITO has been assigned lead responsibility for coordinating standards for the following programs:

- Architectural Sheet Metal
- Bricklayer *
- Boiler Maker *
- Carpenter *
- Cement Mason *
- Construction Formwork Technician
- C.O.R.E. Foundation
- Domestic/Commercial Gasfitter
- Drywall Finisher
- Electrician (Construction) *
- Elevator Constructor / Mechanic
- Floor Covering Installer *
- Glazier *
- Hardwood Floor Layer
- Heat & Frost Insulator *
- Ironworker *
- Joiner *
- Mason *
- Metal Fabricator *
- Painter / Decorator *
- Piledriver / Bridgeworker
- Plasterer
- Plumber *
- Refrigeration and Air Conditioning Mechanic *
- Reinforcing Steel Installer
- Roofer *
- Security Alarm Installer
- Sheet Metal Worker *
- Sprinkler System Installer *
- Tiler *
- Wall & Ceiling Installer *
- All related Foundation / ELTT Programs

*denotes Red Seal Programs

CITO recognizes that these trades are not of exclusive relevance to the ICI construction sector, and is committed to working collaboratively with the ITA and other ITOs – likely the RCITO and Heavy Industry ITO most particularly – to ensure CITO-managed training is aligned with broader needs as fully as possible.

3.0 The ITA and the ITO Framework

The ITA is the provincial government agency mandated to govern, expand and improve BC’s industry training system. The ITA is empowered, under the *Industry Training*

Authority Act, to delegate a range of functions. This is intended in part to facilitate more direct industry leadership and ownership with respect to industry training, and ITOs are the key vehicles by which this objective will be achieved.

The ITA has developed a framework for the approval, operationalization and funding of ITOs. ITOs will be structured and resourced to effectively meet training requirements within their sectors or spheres of responsibility. They will work to continually align training outcomes with workplace needs, and will be accountable for key performance measures such as participation growth.

The role of an ITO will include defining training needs, developing training plans, coordinating training delivery, setting occupational and program standards, promoting industry training and career opportunities, providing services to apprentices and employers, and measuring training outcomes. These responsibilities will encompass both the ongoing delivery and improvement of existing training programs, and new program development as may be required. Industry interest in ITO formation has been strong, and the ITA anticipates that 10-15 will be in operation by fiscal 2007/08.

The sector composed of ICI and related forms of construction has been deemed an appropriate and prioritized sector within which to form an ITO for the following reasons:

- it constitutes a diverse but distinct economic sector, with considerable commonality in the general nature of projects undertaken and skilled-labour requirements;
- it has sufficient scope to ensure economies of scale;
- it draws upon a broad but closely related pool of trade-specific expertise, and is a the primary employment venue for workers in a number of trades;
- associations and employers within the sector have expressed a desire and willingness to collectively address their training needs, and have arrived at a mutually acceptable governance framework;
- opportunities exist to better coordinate and otherwise improve training provision;
- it accounts for the single largest component of industry training participants and programs that can logically be grouped together on a sectoral basis; and
- it is one of the most important sectors of the BC economy in terms of current levels of activity and anticipated growth.

CITO has been found to meet all of the more specific criteria for approval outlined in the ITA's information package for ITO proponents.

4.0 Division of Responsibilities

ITOs will focus on needs identification, standards development, and program-specific administration. The ITA will focus on system-wide management and standards approval. Accordingly, key areas of responsibility will commonly be shared.

Primary ITO responsibilities and accountabilities will include:

- training delivery recommendations (type, location, timing), with reference to labour market information;
- development and refinement of program standards and evaluation tools; and
- program-specific marketing, recruitment and information provision.

Primary ITA responsibilities and accountabilities will include:

- funding of training delivery, based on ITO recommendations;
- review and approval of program standards and evaluation tools;
- general promotion of trade careers; and
- registration and system-wide tracking and certification.

Coordination between these respective functions will be ensured in part through ITA participation, on an ex-officio capacity, on the CITO board.

5.0 Strategic Direction

Mandate

CITO provides industry leadership in training which results in the right number of workers, with the right knowledge and skills, developed to the right standards, and available at the right time and for the right needs.

Vision

CITO-directed training matches worker competencies with employer needs and contributes to the long-term competitiveness, sustainability and vitality of the BC construction sector.

Values

.CITO-directed training will be:

- multi-disciplinary, involving a range of programs and qualifications;
- flexible, with multiple entry points, pathways and delivery options;
- responsive to the needs of the workplace and requirements of apprentices;
- accessible to all, including currently under-represented groups such as women;
- outcome-oriented, with a focus on workplace needs;
- collaborative, with opportunities for workplace mentorship;
- forward-looking, equipping apprentices for continual learning and adaptation; and
- cost-effective, with all reasonable opportunities to achieve savings realized and appropriate cost sharing among all beneficiaries.
- focused on ensuring workplace safety

CITO operations as a whole will be:

- customer-focused (apprentices and employers);
- innovative, with the fullest possible utilization of best practices and emerging technology;
- inclusive, with due consideration given to the views of all participants in the ICI construction sector and of the broader stakeholder community; and
- transparent, with clear accountabilities and disclosures regarding performance measures.

CITO Objectives/Outcomes

In carrying out its mandate, pursuing its vision, and putting its values into practice, CITO foresees achieving these key strategic outcomes:

- a better definition of current and anticipated future training needs within the sector;
- better sector-wide training coordination and more effective resource allocation;
- improved alignment between program standards and workforce requirements;
- improved alignment of training options and pathways with apprentice needs;
- enhanced recruitment and retention capabilities within the sector; and
- improved workplace outcomes for apprentices.

6.0 Governance

6.1 Legal Status

Following the successful conclusion of extensive discussions between the ITA and key sectoral associations – regarding high-level objectives and governance principles for CITO – an incorporation was effected under the *Society Act* of British Columbia (Certificate S-50471).

CITO is therefore an independent legal entity, which will enter into appropriate contractual and accountability-based relationships with the ITA, other funders, and other partners and suppliers as may prove appropriate to advance its mandate.

Initial board appointments were made through an independent and professionally managed process, with reference to criteria agreed upon during the earlier discussions among key industry associations. Subsequent board appointments will be made with reference to comparable criteria.

6.2 Board Responsibilities and Accountabilities

Key responsibilities on the part of the CITO board will include:

- formulating and approving organizational policies, bylaws and procedures;
- developing and monitoring business plans, budgets and key performance measures;
- recruitment and oversight of a chief executive officer;
- determining strategic direction and managing major risks;
- receiving input from and ensuring communication with external stakeholders;
- ensuring compliance with legislation and regulations;
- appointing committees and advisory groups as may be appropriate; and
- reporting to stakeholders.

The CITO board will be accountable to the construction sector and to the ITA. In particular, a mutually agreed upon schedule and format will be developed for annually updated training plans and for reporting on agreed upon measures and targets.

6.3 Board Composition and Structure

The CITO board is composed of 11 members and will form three standing committees – Finance and Audit, Governance, Program Standards, and Training Planning. A Board chair and vice-chair have been elected and standing committee appointments will be made in November 2006 with each Board member serving on two committees.

Board members discharge a fiduciary role, rather than one based on representation of specific associations or stakeholder interests. The board composition will, however, strike a balance among members with expertise in different trades, based in different parts of the province, and working in both unionized and open-shop environments.

The CITO board will strive for consensus-based decision making whenever feasible. Alternatively, decisions will be made by a simple majority of board members, without veto power on the part of any members. Ex-officio members of the board are non-voting. The board will more clearly delineate responsibilities – as between the board, its committees, and management – at subsequent meetings.

The current CITO Board Members are:

Daniel Mott, Mott Electric Ltd. (Chair)
 Karen Bazylewski, Keith Plumbing & Heating Co. Ltd.
 Randy Callaghan, PCL Constructors WestCoast Inc.
 Bob Cowan, Vancouver International Airport Authority
 Richard (Dick) Coxford, D.G.C. Developments Ltd.
 C.P. (Ken) deRooy, A-1 Steel (A-1 Machine Welding (1986) Ltd.)
 Ken Hall, Kenar Electrical Ltd.
 Kurt Krampfl, Airstream Heating & Air Conditioning Inc.
 Brian Magowan, Gracom Masonry
 Jim Plumridge, Prince Sheet Metal & Heating
 Laura Stanton, AWG Northern Industries Inc.
 Geoff Stevens, Industry Training Authority

7.0 Stakeholder Engagement

Effective engagement with stakeholders will be a key CITO function, particularly given overlapping interests in the trades it anticipates assuming responsibility for. CITO will maintain an ongoing dialogue with external stakeholder groups, including:

- other sectors to which CITO-managed trades are relevant (most particularly residential construction and heavy industry);
- organizations representing the buyers of construction services;
- training institutions (a key supplier);
- the K-12 educational system (particularly in the context of opportunities to commence trades-training delivery at the high school level);
- trade unions and employer associations;
- organizations representing demographic groups that are currently under-represented within the trades;
- relevant government agencies (such as HRSDC); and
- construction and training associations and authorities in other jurisdictions.

The CITO board has already identified stakeholder relations as a priority, and commenced discussions regarding means of facilitating broad, two-way communication.

8.0 Operations

8.1 Management

The CITO board has prioritized the appointment of a chief executive officer, and has created a three-member ad hoc committee for this purpose. An executive search firm has been engaged and a CEO appointment is anticipated by November 2006.

As noted, the board will take steps to more clearly delineate respective responsibilities, and this will be reflected in CITO business plans. Key CEO responsibilities will include development of strategic and risk-management options, organizational leadership, operational management, and reporting and organizational accountability. CITO anticipates that its CEO will be assisted by a small staff, with reliance for additional resources on contractors and in-kind support.

8.2 Funding

As is the case with all ITOs, the initial operation of CITO will be funded through a contribution agreement with the ITA. This will support start-up, planning, and establishment of board, and ongoing managerial and administrative structures. CITO will access additional ITA funding through separate contribution agreements, relating to curriculum-development projects. CITO will also work with the ITA to identify other potential sources of public funding, whether on project-specific or ongoing bases.

CITO anticipates developing fee-based revenue streams relating to various aspects of its service provision, potentially including accreditations, assessments, certifications, and licensing of materials and service tools. Stakeholder sponsorships are another possible revenue stream.

8.3 Key Operational Responsibilities

Responsibility for specific training programs, and potential new program development, will be transferred to the Construction Industry ITO after its CEO is in place and its basic strategic, governance and financial policies and procedures more fully developed. Its key operational responsibilities will eventually encompass:

Needs Identification, Planning, Delivery Coordination

- labour market information
- demand forecasting
- three-year rolling training plans
- training provider liaison, coordination

Programs and Standards

- updates and refinements to existing programs
- new program development and implementation
- evaluation methodologies and tools
- deactivation of redundant programs

- Red Seal product development

Promotion, Services, Outcomes

- program-specific trades and career promotion
- program-specific information provision
- customer inquiries, liaison
- program-specific outcomes tracking and assessment

Others

- finance and administration
- stakeholder liaison

9.0 Critical Success Factors

CITO believes the following factors will be the major determinants of its success in effectively moving to full operation and discharging its mandate:

- effective leadership at the board and CEO levels, sufficient to establish profile and credibility for a new entity mandated with sector-wide coordination;
- strong and sustained industry support, particularly in terms of participation at the board level, financial commitments, and engagement in needs identification;
- quick establishment of a results-based track record, through timely and tangible responses to prioritized industry needs;
- inclusive and transparent decision-making, as an underlay to effective stakeholder relationships;
- a clear, continually refined and forward-looking understanding of labour-market needs specific to the ICI construction sector, and of broader trends and developments likely to impact on supply and demand; and
- operational and training-delivery innovation, effective partnerships, low administrative costs and resource efficiency.