

Travelers Heavy Civil Infrastructure Analysis



Travelers evaluated heavy civil construction project data to uncover trends that influence project performance.* These insights can help when developing a procurement strategy and making informed business decisions.

Methodology

An in-depth work in progress analysis of large North American heavy civil projects spanning two decades.**

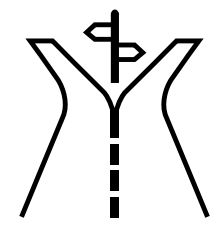
288 North American Heavy Civil Projects

Projects **>\$250MM** in Value

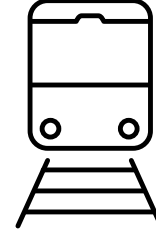
\$800MM Average Project Contract Value



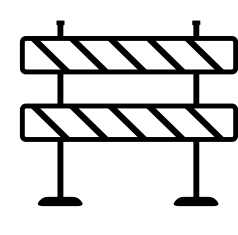
Bridge



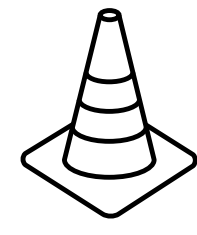
Highway



Rail/
Light Rail



Tunnel



Heavy
Other

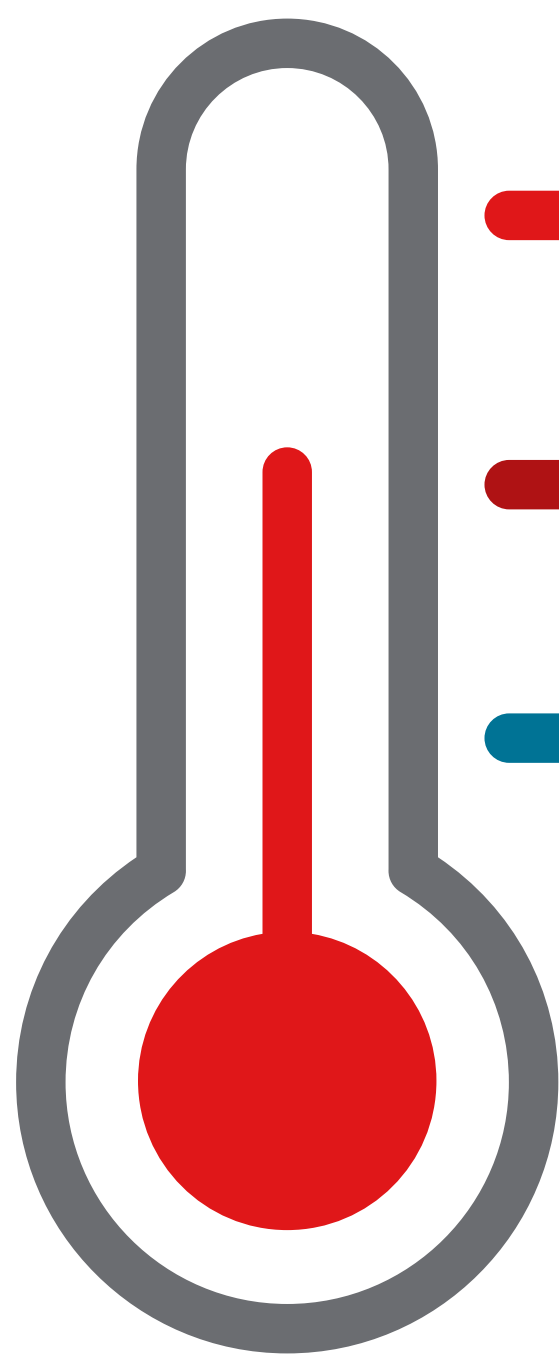
Procurement type matters

Over 50% of the heavy civil construction projects studied suffered **profit fade**.



Of those projects that had profit fade, **over 70%** utilized Design-Build (DB) or Public-Private Partnership (P3) procurement methods.

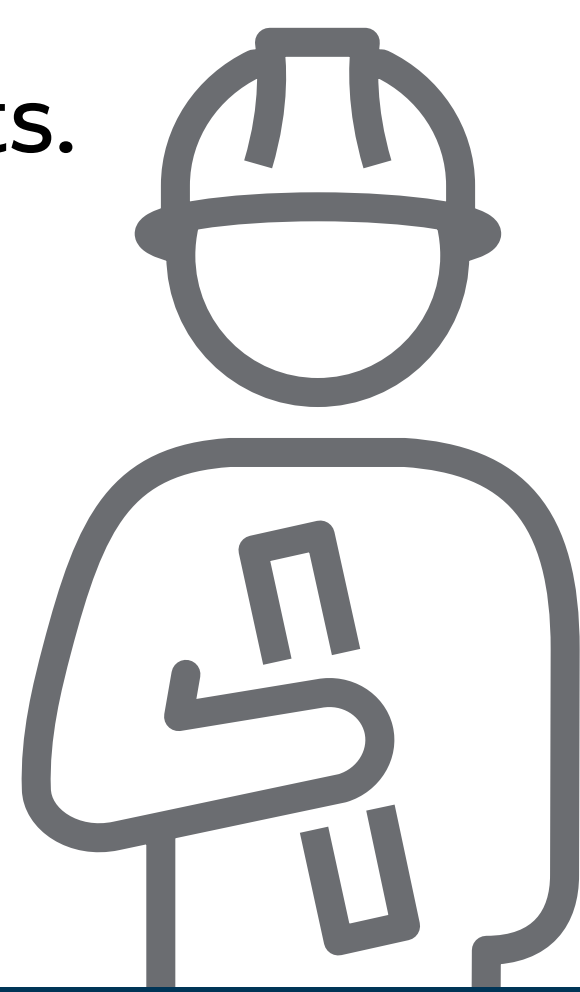
Procurement type risk level



- HIGH RISK:**
 - Public-Private Partnerships
- MODERATE RISK:**
 - Design-Build
- LOW RISK:**
 - Design-Bid-Build
 - Construction Manager/General Contractor

Risk Allocation and Pricing of Risk are important drivers of ultimate project performance.

- Contractors were **3.7 times** more likely to have a profit fade on DB and P3 projects.
- **Over 60%** of late-stage underbillings were on DB and P3 projects.
- Underbillings were disputed for an **average of 4.5 years**, affecting both contractors and owners.



Collaboration helps both contractors and owners



Fewer Claims



Realistic Risk Allocation



Schedule Certainty



Supports Market Stability

To learn more, contact your Travelers surety agent.

*Travelers client projects
**Conducted as of May 2024

Travelers Casualty and Surety Company of America and its property casualty affiliates. One Tower Square, Hartford, CT 06183
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