An Exploration of Early Work Packaging in Construction Manager/General Contractor Highway Projects

Douglas Alleman
University of Colorado, Boulder

Dean Papajohn
University of Arizona

Douglas D. Gransberg
Iowa State University, dgran@iastate.edu

See next page for additional authors

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AN EXPLORATION OF EARLY WORK PACKAGING IN CONSTRUCTION MANAGER/GENERAL CONTRACTOR HIGHWAY PROJECTS

Douglas Alleman, P.E., Corresponding Author
Ph.D. Student
Department of Civil, Environmental and Architectural Engineering
University of Colorado, Boulder
428 UCB, Boulder, CO 80309-0428
Tel: 815-663-7418; Email: douglas.alleman@iea.net

Dean Papajohn, P.E.
Associate Professor of Practice
Civil Engineering & Engineering Mechanics
University of Arizona
1209 E. 2nd Street, Tucson, AZ 85721-0072
Tel: 520-621-1713; Email: dpapajohn@email.arizona.edu

Douglas D. Gransberg, Ph.D.
Professor
Department of Civil, Construction, and Environmental Engineering
Iowa State University
404 Town Engineering Building, Ames, IA 50011-3232
Tel: 515-294-4148; Email: dgran@iastate.edu

Mounir El Asmar, Ph.D.
Asst. Professor and Senior Sustainability Scientist
Del E. Webb School of Construction
School of Sustainable Engineering and the Built Environment
Arizona State University
660 S. College Avenue, Tempe, AZ 85287-3005
Tel: 480-727-9023; Email: asmar@asu.edu

Keith R. Molenaar, Ph.D.
Professor
Department of Civil, Environmental and Architectural Engineering
University of Colorado, Boulder
428 UCB, Boulder, CO 80309-0428
Tel: 303-735-4276; Fax: 303-492-7317; Email: molenaar@colorado.edu

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ABSTRACT
Recently, state agencies have been successfully implementing construction manager/general contractor (CM/GC) delivery on highway projects. While early work packaging is frequently cited in the literature as a primary benefit of CM/GC, there is limited to substantiate or refute these benefits. Additionally, agencies need a better understanding of the current state-of-practice of early work packing in CM/GC to help with effective implementation. In an ongoing Federal Highway Agency research project, 12 of 34 completed CM/GC projects reported the use early work packaging, and will be the focus of this study. Research methods used within this paper include: literature review, content review of agency manuals/instructions, project surveys, agency interviews, and case studies. Triangulated findings suggest that early work packaging can contribute to expediting project completion, mitigating project risks, reducing project cost, and minimizing public impacts. To achieve these outcomes, agencies must perform detailed planning to generate severable/independent packages that take into account all potential impacts to the project. Trends in data indicate that early work packages can lead to cost savings, yet the sample size does not provide statistical significance. Future research should explore the performance of a larger data set of CM/GC projects with and without early work packaging along with a cost/benefit analysis of early work packages.

Keywords: Alternative project delivery methods, early work packages, sequencing, construction manager/general contractor, highway construction

INTRODUCTION AND MOTIVATION
In today’s context of aging infrastructure, limited financial resources, and increased public scrutiny of transportation projects, U.S. highway agencies are turning to innovative delivery methods like design-build and construction manager/general contractor (CM/GC). The Federal Highway Administration (FHWA) has made efforts to encourage these innovative delivery methods through legislation such as the Special Experimental Project Number 14 (SEP-14) – Innovative Contracting, section 1503 of SAFETEA-LU, the Every Day Counts (EDC) initiative, and The Moving Ahead for Progress in the 21st Century Act (MAP-21). Through these efforts, several state and federal agencies have successfully implemented projects with design-build and CM/GC. This paper specifically focuses on CM/GC.

Fundamentals of CM/GC
Of the delivery methods commonly used by agencies, CM/GC is the most recently adopted; its use started in Arizona in the late 1990’s (1). With CM/GC, the owner contracts with a construction manager (CM) early in design development, contractually transferring the risk for the final cost and time of construction while retaining design control. As design progresses a construction prices (or guaranteed maximum price (GMP) for purposes of this paper) is agreed upon with the CM, at which point, the CM becomes the general contractor (GC), hence CM/GC (2). The CM/GC method allows for overlap between design and construction through early work packages. When design and construction overlap, the contractor is filling both the CM and GC roles simultaneously.

With CM/GC project delivery, work packages can be developed from portions of the total design. Because the contractor is already under contract, negotiation for the work package can occur without the lengthy procurement process typically associated with the traditional method of design-bid-build (D-B-B). The fundamentals of early work packaging are discussed below.
**Fundamentals of early work packaging**

One benefit for agencies pursuing CM/GC is the ability to package work and allow for early release for construction as they are completed. When an agency decides to release an early work package, the process is very similar to the CM/GC process as a whole: a design package is developed, scope documents are created, a GMP is reached, and a contractor is given the notice to proceed. Figure 1 compares a project performed with and without early work packaging. An early work package can consist of, for example, procuring materials to constructing early project tasks. As seen in Figure 1, Design Package 2 continues to develop while Design Package 1 is being completed and negotiated. Subsequent work packages follow the same process. As a result, overlapping of design and construction can accelerate project completion.

![FIGURE 1 CM/GC Project Progression With and Without Early work packaging](image)

**RESEARCH OBJECTIVE AND METHODS**

The objective of this paper is to explore early work packaging in CM/GC projects, presenting the current state-of-practice of CM/GC early work packaging. The data for this study is derived from an ongoing FHWA research project (25) which includes 34 CM/GC U.S. highway projects completed between 2004 and 2015, representing over 66% of the federally funded CM/GC projects during this time period. Of these 34 projects, 12 reported the use of early work packaging. With an understanding that there are few projects available, this research broadly explores the following questions:

a. What are the benefits gained from CM/GC early work packages and are they value adding?

b. What are the best practices for implementing CM/GC early work packages?

c. What future research is needed in the area of CM/GC early work packages?
To address these research questions, a multi-method research approach was used to triangulate results. The approach includes: [1] a review of current literature; [2] a content review of agency manuals/instructions; [3] a performance survey of projects with early work packages; [4] interviews with agencies experienced with CM/GC; and [5] case studies of CM/GC projects.

1. Literature Review
A literature review was conducted to understand how early work packaging is defined and to identify benefits and best practices. The review included all sectors of design and construction, but particular attention was given to transportation literature. The transportation literature came primarily from CM/GC literature as cited by the National Cooperative Highway Research Program (NCHRP), content presented at the FHWA CM/GC Peer Exchanges, and transportation-related journals. Early work packaging has also been researched in industrial construction where it is referred to as advanced work packaging (26,27). Other terms related to early work packaging include phasing and sequencing. In addition to CM/GC project delivery, early work packaging is cited in research on progressive GMPs and progressive target pricing.

2. Agency Manual Content Analysis
The authors performed a holistic review of the publicly available CM/GC manuals through the 50 State Departments of Transportation, District of Columbia, Puerto Rico, and the three Federal Lands Highways divisions. CM/GC manuals were obtained from seven states: Arizona, California, Colorado, Michigan, Minnesota, Nevada, and Utah. All but Utah address early work packaging to some degree and five (Arizona, California, Colorado, Minnesota, and Nevada) discussed CM/GC advantages and best practices (20-24).

3. Project Surveys
An ongoing FHWA research project collected survey responses from 29 CM/GC projects completed between 2004 and 2015 (25). The survey asked if each CM/GC project had performed early work packaging, and why. It also requested additional detail on the work packages used. Twelve of the 29 projects responded as using early work packaging.

4. Agency Interviews
To supplement the survey findings, the researchers performed follow-up interviews and targeted six of the 12 projects that used early work packaging. The projects were selected to obtain the most diversity of states and project types. The following items were used to guide the interviews with the project personnel:

- The agency process and reason for using the work packages;
- The successes and failures of the early work packaging for the project;
- The benefits gained from, and disadvantages of, early work packaging; and
- A discussion on CM/GC early work packaging best practices and lessons learned.

5. Project Case Studies
Three of the six interviewed projects were chosen for detailed case studies: two projects with early work packaging success and one in which project goals where hindered by early work. These case studies allowed for informative discussions of the cost, benefits, and impacts of early work.
packaging. Further details on the project characteristics, reasons for early work packaging, early work packaging characteristics, and project performance were gathered.

RESULTS: WHAT WE LEARNED

1. Literature Review

Although frequently stated as a benefit within CM/GC literature (2-19), minimal empirical research exists on the added value of early work packaging. The majority of the literature focused on lessons learned through case studies and industry experiences. NCHRP Report 10-85 (14) supplies the most robust explanation of early work packaging’s advantages, which are consistent with the other early work packaging literature. The four key advantages of early work packaging in CM/GC are:

- **Risk mitigation** (2,6,8,10,13,14-18): One of the primary advantages of early work packaging is the ability to lock in volatile construction materials and/or subcontractor prices, thereby mitigating the risk of price escalation. In addition to materials and subcontractor work, work packages can be used to price and construct a segment of work. As more details are available on the segment, uncertainty is reduced, which in turn reduces project risk and the contingency for said risk.

- **Accelerated project schedule** (2,3,5,7,9,11-14,16,17,19): The project schedule can be accelerated when the contractor starts the construction as soon as the first segment’s work package is ready, without waiting for completion of the entire design. Work packages accelerate the project schedule through design and construction overlap. Long lead items can be procured and potential conflicts can be resolved during the preconstruction phase, which helps reduce or eliminate construction delays.

- **Reducing inconvenience to the traveling public** (14): Sometimes the reason for using an early work package is the early completion of a segment (e.g., phase); not necessarily the early start of that segment. This is applicable when a segment can be opened to traffic independently, thus reducing inconvenience to the road segment users.

- **Project savings** (2,4,7,12-14): When early work packaging reduces risk, contingency, and overall construction time, cost savings can occur. Early acquisition of materials, site preparation work (i.e. utilities, right-of-way, subsurface, etc.), and/or overlap in design and construction can lead to an early construction start and finish, which reduces the schedule therefore reducing cost of agency and contractor overhead. Finally, a work package has the potential to promote a more efficient construction process.

The literature contains a wealth of information on the potential advantages of early work packaging; but it does not address the obstacles of performing early work packaging nor best practices to ensure success. However, some agencies have CM/GC manuals that discuss the agency’s practices for early work packaging.
2. Agency Policies’ Content Analysis

Similar to the literature findings, the Arizona, California, Colorado, Minnesota, and Nevada CM/GC manuals present the advantages of early work packaging as risk mitigation (20-24), accelerated project schedule (20,23,24), and project savings (23,24), with the addition of matching funding (21). Also identified are factors that should be considered when developing early work packages and are as follows:

- **Be severable (20-24):** As more packages are released prior to final GMP negotiations, it becomes more problematic if pricing cannot be agreed upon since construction is already underway. It is imperative that any early work packages can be severed from the remaining scope of work in a manner where they can be paid for as a single unit. This is required so that the agency can retain the ability to competitively bid the remaining scope of work as a traditional D-B-B project if GMP negotiations fail.

- **Stand-alone (23):** Similar to severability, the package should involve elements of project scope that can stand alone and have minimal technical interface with other elements of scope. This minimizes the impact one package has on the success of other packages.

- **Be directly related to the overall project schedule (22):** Each work package must have schedule requirements tied to it. This limits negative impacts of work packages that are predecessors to other packages. It is common to assign contractual milestones for completion of work packages to ensure that planning and scheduling of scope that has not been fully defined by the design process can be seamlessly merged into the schedule without detriment.

- **Benefits the project goals (23):** The agency must fully assess how the work package adds to, or detracts from, the project goals. Advantages may include cost savings, risk mitigation, and/or improved scheduling. Detriments may include increases in design, reduced agency negotiation power, administrative costs, and/or impact to the local community.

- **Takes into account all potential impacts (24):** The agency should consider such factors as “access and availability constraints, total time for completion, construction market conditions, availability of labor and materials, community relations, and any other factors pertinent” (24) when developing work packages.

3. Performance Survey

Eighteen projects of the 29 previously mentioned projects provided information on their use of early work packaging (twelve confirmed they did use early work packaging, six stated they did not use early work packaging): three from Arizona, 13 from Utah, two from Colorado, and one from Oregon. Colorado, Oregon, and Utah all have used early work packaging approaches in various degrees in their CM/GC projects. Utah is the state with the most CM/GC experience and responded that early work packaging was used on 9 of the 13 Utah CM/GC projects in the research database.

Of the 12 projects which reported using early work packages, 11 detailed the number of work packages and their reasons for early release of the work. As seen in Table 1, a majority of the projects had three or fewer work packages. Also shown in Table 1 are the reasons for packaging.
The most common reason for packaging is overlapping design and construction followed by procuring long lead items. Other reasons for packaging included locking in pricing, reducing cost, beginning pre-construction activities, and performing seasonal work.

TABLE 1 Projects with Number of Work Packages and Reasons for Packaging

<table>
<thead>
<tr>
<th>Number of Work Packages</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>&gt;5*</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Projects Responding to # of Work Packages</td>
<td>6</td>
<td>4</td>
<td>4</td>
<td>0</td>
<td>2</td>
<td>1</td>
<td>17</td>
</tr>
</tbody>
</table>

**Reasons for packaging***:

- Overlap Design/Construction: 16
- Procure Long Lead Items: 11
- Construction Preparation Work: 4
- Cost Reduction: 2
- Lock in Material Pricing: 2
- Perform Seasonal Work: 3

* Project includes 20+ early work packages; only first five chronologically released reasons shown.

Table 2 depicts the cost growth of CM/GC projects with and without early work packaging. The formula for cost growth is shown in Equation 1.

\[
\text{Cost Growth} = \frac{\text{Final Contract Amount} - \text{Awarded Contract Amount}}{\text{Awarded Contract Amount}} \times 100
\]  
(Eq. 1)
TABLE 2 Performance Metrics for Projects Using Early Work Packaging vs. All CM/GC Projects

<table>
<thead>
<tr>
<th>Projects</th>
<th>Cost Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>CM/GC Projects Identified as Using Early work packaging (N=12)</td>
<td>2.3%</td>
</tr>
<tr>
<td>CM/GC Projects Identified as NOT Using Early work packaging (N=6)</td>
<td>14.3%</td>
</tr>
</tbody>
</table>

4. Agency Interviews
The six project interviews were performed with the following characteristics: CM/GC projects conducted by a state agency; new and rehabilitation of road/bridge, tunnel widening, new road and drainage projects; and range from three to five work packages used for design/construction overlap, purchasing materials, preparation work, and seasonal work. The interview findings were as follows: packages can accelerate the project, mitigate risk, contribute to project savings, reduce public impact, must be severable, involve contractor and stakeholder input, require increased agency planning and resources; and should not be performed by agencies new to CM/GC.

5. Project Case Studies
The three case studies highlight the opportunities and challenges of implementing early work packaging in CM/GC projects. The content of work packages and the reason for preparing each work package is summarized in Table 3.

TABLE 3 Case Study Project Descriptions and Reasons for Packaging

<table>
<thead>
<tr>
<th>Description</th>
<th>Reason for Packaging</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project #1 – New Road &amp; Bridge ($156M)</td>
<td></td>
</tr>
<tr>
<td>Package 1 Foundation Materials</td>
<td>1. Long Lead Items</td>
</tr>
<tr>
<td>Package 2 Work Structure Materials</td>
<td>1. Long Lead Items</td>
</tr>
<tr>
<td>Package 3 Foundation</td>
<td>1. Overlap D/C*</td>
</tr>
<tr>
<td>Package 4 Work Bridge</td>
<td>1. Overlap D/C</td>
</tr>
<tr>
<td>Packages 5+ Complete Project</td>
<td>1. Overlap D/C</td>
</tr>
<tr>
<td>Project #2 – Road Reconstruction ($100M)</td>
<td></td>
</tr>
<tr>
<td>Package 2 Bridge &amp; Tunnel Widening</td>
<td>1. Overlap D/C</td>
</tr>
<tr>
<td>Package 3 Restore Detour &amp; Game Check Station</td>
<td>1. Overlap D/C</td>
</tr>
<tr>
<td>Package 4 Rock Excavation</td>
<td>1. Prep Work</td>
</tr>
<tr>
<td>Package 5 Remaining Work**</td>
<td>1. Finish Work</td>
</tr>
<tr>
<td>Project #3 – New Road &amp; Drainage ($21M)</td>
<td></td>
</tr>
<tr>
<td>Package 1 Aggregate &amp; Piping</td>
<td>1. Lock in Pricing</td>
</tr>
<tr>
<td>Package 2 Drainage &amp; Piping</td>
<td>1. Overlap D/C</td>
</tr>
<tr>
<td>Package 3 Remaining Work</td>
<td>1. Finish Work</td>
</tr>
</tbody>
</table>

* D/C = Design/Construction; **Remaining Work = Final package comprised all remaining work not found in the previous packages.

Project #1 – New Road and Bridge
In this project early work packaging was detrimental to project performance. Project #1 constructed a new road and bridge with a contract value of $156M, a 0% cost growth and 0% schedule growth. However, the zero cost and schedule growth values hide the fact that the scope
was significantly cut in order to meet the budget. The project representative believed the agency “overpaid by 20%” for the project services received.

Early work packaging was performed on this job to accelerate the project schedule. The bridge foundation and all other in-water construction were limited to a three-month period due to environmental restrictions, creating a very complex and aggressive schedule. The use of early work packaging can help a project meet an aggressive schedule (2,3,5,7,9,11-14,16,17,19,20,23,24) and the 0% schedule growth on this project suggests early work packaging contributed toward this schedule goal. However, the project’s inability to develop severable and standalone packages and the reactive rather than proactive planning likely impacted the agency’s inability to receive fair market value.

Because the footings and foundation work packages were not stand-alone and severable, this agency’s ability to negotiate a GMP for subsequent work packages was greatly diminished. The project representative summarized it this way: “we were over a barrel with this contractor. It was virtually impossible, and I believe it was completely impossible that we could have separated ourselves from that contractor.” (25)

Due to acceleration requirements and inexperience, the agency was not able to proactively plan work packages. As pieces of design were completed, work packages were released for a total of over 20 work packages. Though this strategy helped with the schedule, it was detrimental to properly preparing appropriate work packages that can be negotiated to a fair market price. As stated by the project representative, “we had to do an early work amendment and get our contractor in the water and get him going... So, added the foundation, added the substructure, added the northbound superstructure, added another little bridge... I mean we just added, added, added, added...” (25)

**Project #2 – Road Reconstruction**

This project shows how making early work packages severable can contribute to a successful CM/GC project. Project #2 was a combination of new construction, reconstruction, and resurfacing and included road, bridge, and other work. The contract value was $100M with a -12% cost growth and 0% schedule growth. Early work packaging was used to accelerate the project. By implementing early work packages to perform preparation activities and acquire long lead items, the construction of the asset started immediately upon design completion.

The 0% schedule growth suggests early work packaging contributed toward meeting the schedule goal and likely contributed to the 12% cost savings. For early work packaging to be successful, it must not only achieve its intended purpose, in the case of project acceleration, but also must not negatively impact other project goals (20). The project representative stated “packaging was very successful, we met all of the objectives of the project and met all of the schedule goals” (25). Factors contributing toward successful early work packaging include: maintaining severability, proper proactive planning, and contractor collaboration.

The project representative stated that the project was able to maintain severability by “making sure that each package has an ending... (and is) as independent as possible and as severable as possible” (25) and making the packages “severable enough that you can walk away from a package without being tied into another package” (25). The project representative felt that attaining severability and work package success is “about strategy; it’s about making packaging work for the contractor team-members, as well as the DOT and consultant team members” (25).
Project #3 – New Road and Drainage

This project shows how early work packages can be used on small projects. Project #3 consisted of a new road and drainage project with a contract value of $21M that saw a 1% cost growth. The project representative stated, “we were probably a year ahead” (25). This project used early work packaging to meet multiple benefits referenced in the literature: schedule acceleration (2,3,5,7,9,11-14,16,17,19,20,23,24), risk mitigation (2,6,8,10,13,14-18,20-24), cost savings (2,4,7,12-14,22,23) by fixing prices, and minimizing impact to the public (14). This use of early work packaging was deemed successful by the project representative who said, “we went with phasing on this contract because we knew we had some risks with wetland permitting, and some right-of-way issues, and dealing with a lot of stakeholders, users, industries, and businesses that needed to use the road... The phasing was really successful on this project” (25).

Project #3’s early work packaging success was obtained by maintaining severability, contractor collaboration, and proper stakeholder management. Concerning severability, the agency representative stated, “you have to make sure it is severable. You have to make sure the contractor is on board with that. That will help keep them honest too and getting the right price” (25). Additionally, the agency representative said, “make sure you listen to your contractors and let them be a part of (packaging)... you have to be willing to listen to what your contractor is recommending you do and then let them help you work through the risks” (25). These statements suggest contractor collaboration was key to success.

Finally, the project’s success came from understanding how the early work packaging would impact project stakeholders, namely other agencies. This is particularly important when dealing with right-of-way, utilities, and/or environmental resources. The project representative explained that the project team should “make sure all the outside agencies are aware of what you are doing... without all those other agencies knowing what you are doing and being a party to it, you could really get yourself into some bad positions.” (25)

Summary of Results

Table 4 provides a summary of the results with a column showing which research methods support each result. The five research methods are shown, along with the sample size of each research method, and the number of times each result is referenced in these samples. For example, “Expedite project completion” was found as cited in 12 of the 18 literature documents, three of the five agency policies, responded as a reason for packaging in 10 of the 12 survey responses, stated in all six interviews, and found as a reason for use in all three case studies. Using a multi-method research approach allowed the authors to triangulate the results and rank the findings by order of importance, as shown in the table.
<table>
<thead>
<tr>
<th>TABLE 4 Research Findings Triangulated Using Different Methods</th>
</tr>
</thead>
<tbody>
<tr>
<td>Early Work Packages Opportunities</td>
</tr>
<tr>
<td>Expedite project completion</td>
</tr>
<tr>
<td>Mitigate project risks</td>
</tr>
<tr>
<td>Reduce project costs</td>
</tr>
<tr>
<td>Minimize impact to public</td>
</tr>
<tr>
<td>Critical Implementation Factors</td>
</tr>
<tr>
<td>Maintain severability</td>
</tr>
<tr>
<td>Proactive planning</td>
</tr>
<tr>
<td>Involve contractor and stakeholders</td>
</tr>
<tr>
<td>Use after CM/GC experience is gained</td>
</tr>
</tbody>
</table>

Notes: * Severability was not directly asked on the survey but respondents were requested to fill out “best practices.”
Only five filled this question out, two stated severability.
N/A – Survey did not request this information.

DISCUSSION OF EARLY WORK PACKAGING IMPACT ON PERFORMANCE

Expediting project completion
Expediting project completion is the most commonly cited benefit of early work packaging in the literature (2,3,5,7,9,11-14,16,17,19,20,23,24). Likewise, the surveys indicated 22 of the 23 early work packages were motivated by project schedule acceleration either through procuring long-lead items, overlapping design and construction, and/or preparation work. All agency representatives interviewed stated schedule acceleration as a benefit to early work packaging. Finally, all three case studies found the projects used and benefited from early work packaging’s schedule acceleration. All five research methods applied in this study corroborated that accelerated project completion is the most common benefit of early work packaging. As stated by one agency representative, “putting work out that will accelerate the main core of work is always why we do extra packages.” (25) This quote exemplifies acceleration being heavily valued, but as seen in Table 1, there are other benefits gained from early work packaging.

Mitigating project risks
Mitigating project risks is the second most commonly cited benefit of early work packaging in the literature (2,6,8,10,13,14-18,20-24). Twelve of the 23 early work package survey responses expressed a desire to mitigate risk. Four of the six interviewed agency representatives stated mitigating project risks as a benefit of early work packaging. The case study of project #3 revealed that it successfully used and benefited from early work packages’ risk mitigation. All five research methods applied in this study corroborate that risk mitigation is a benefit of early work packaging. One agency representative stated that early work packaging “can take a negative risk and switch
Reducing project costs and adding value
Cost savings is a benefit cited in the literature (2,4,7,12-14,22,23) and is often achieved by acquiring materials prior to price escalation, reducing overhead duration, and/or creating a more efficient construction process. From the survey performed, only one of 23 work packages were motivated by cost reduction. Early work packaging likely contributed to the 12% project savings of project #2; and project #3 claimed early work packaging successfully met the cost performance goals. However, only one of the six agency representatives claimed cost savings as a benefit to early work packaging. Four of the five research methods applied in this study consider cost savings as a benefit of early work packaging.

Several documents state that early work packaging mitigates cost risks (2,6,8,10,13,14-18,20-24) and/or leads to project cost savings (2,4,7,12-14,22,23). It would be expected that in mitigating cost risks, a project would mitigate cost growth from contract award to final cost. Table 2 showed cost growth for the 12 CM/GC projects with early work packaging is lower than that experienced by the six CM/GC projects without early work packaging. This trend needs to be verified in the future with a larger data set.

Though the cost growth trends suggest the potential of added value, early work packaging comes at a cost. According to one agency representative’s estimation, early work packaging costs about 0.5% of the project award value (25). Packaging requires more work in pre-construction activities such as creating separate packages and negotiating each package. During construction, sites may have duplicate diaries, quality reports, etc. Additionally, there can be duplicate contracts with duplicate accounting systems including unit pricing.

This research does not definitively confirm whether or not early work packaging adds value. However, based on the trends displayed in Table 2, and the observations of five of the six agency representatives who perceived value added through early work packages, it is likely that early work packaging’s benefits can and often do outweigh its costs.

Minimizing the impact to the public
Impact to the public is often associated with accelerating the project’s completion date, but NCHRP Report 10-15 (14) is the first literature that identifies this factor as an advantage of early work packaging. None of the survey responses mentioned minimizing impact to the public as a reason for early work packaging, and only one interview response stated it as a benefit. However, project #3 successfully minimized impact to the public through early work packaging. Minimizing public impact is only found in three of the five research methods applied in this study. It appears to be a less understood benefit of early work packaging.

DISCUSSION OF CRITICAL IMPLEMENTATION FACTORS FOR EARLY WORK PACKAGING

Severability of work packages
Severability is stated as a requirement in all CM/GC manuals that discuss early work packaging (20-24) and is noted within the NCHRP 10-85 report as a quality of work packages (14). Of the five projects that addressed best practices within the survey, two responded that packages must be severable. As seen in project #1, if packages are not severable, the owner loses negotiating power and may risk cost growth or scope reduction. Alternatively, projects #2 and #3 claim severability
as a reason for their success. All six interviews with agency representatives stated severability was essential. As stated by one agency representative, severability is “a cardinal rule that you cannot break... make sure that the scope is independent, completely independent from the remaining project... In that way, you are able to protect yourself as an owner from being committed or being obligated to continue work with that contractor (25).” All five research methods applied support severability as being essential or a best practice of early work packaging.

**Proactive and detailed planning and taking into account project goals**

Planning is necessary to ensure early work packaging does not have unforeseen adverse impacts on a CM/GC project. The Minnesota CM/GC manual requires that an investigation is made to ensure early work packaging fosters, rather than negatively impacts, project goals (23). Proper detailed planning and taking into account project goals was discussed in all six interviews with project representatives. As stated by one agency representative, “the owner needs to really think through the risk and the schedule and the potential benefits and decide whether that is the best approach for them” (25). As seen in project #1, when packaging is reactive rather than proactive, the project loses the ability to properly develop early work packages increasing the potential of negatively impacting project performance. Three of the five research methods applied support proactive and detailed planning and taking into account project goals when preparing work packages.

**Contractor and stakeholder buy-in**

Buy-in is necessary to ensure that work packages are executed as intended without causing disputes. The Colorado CM/GC manual states that the impact of all stakeholders, including internal and external, should be reviewed when developing early work packages (21). Three of the six interviewed agency representatives commented on contractor and stakeholder buy-in. Concerning contractor collaboration, one representative stated, “it’s about making packaging work for the contractor team-members, as well as the DOT and consultant team members” (25). Another agency representative shared, “the biggest key to success is having the team all on board. If you get the right contractors, (packaging) works really successfully” (25). Part of project #3’s success was stakeholder engagement. When the process is not collaborative, the contractor may suggest packaging to meet their own needs or take advantage of the process. Three of the five research methods applied support contractor and stakeholder buy-in.

**Early work packaging works best after some CM/GC project experience is obtained**

This is not reported in the literature, agency manuals, or survey findings. However, this was a lesson learned stated by one agency representative experienced with early work packaging, and is corroborated by the poor performance of project #1 which was the first CM/GC project within that agency. As stated by the agency representative, “In almost every case that I have seen, people who try to do multi-packaging CM/GC projects upfront (first project) get into the pitfalls much faster and much easier than on a regular CM/GC project... You need the experience of what a CM/GC is at its core before you start adding complications to it such as packaging.” (25) This finding is counter intuitive, since a primary benefit of CM/GC is project acceleration and early work packaging is a key tool for achieving accelerations. Nonetheless, experience with CM/GC without early work packaging can make the implementation smoother for early work packaging on future projects.
CONCLUSIONS

This study explores the use of early work packaging in CM/GC transportation projects through: reviewing the literature; reviewing agency manuals/instructions; surveying 18 projects; interviewing six agency representatives; and conducting three project case studies. This research contributes to the current body of knowledge by providing triangulated findings through a multi-method approach that supports early work packaging’s potential to improve project performance. Research results point to these potential benefits of early work packaging: expediting project schedule; mitigating risks; reducing project costs; minimizing impacts to public; and matching funds. These goals are obtained by creating work packages which: procure long lead items and/or volatile priced items; overlap design and construction; perform early work including right-of-way, utility, subsurface, and/or general prep work; and avoid environmental restrictions or disadvantageous seasons. Critical implementation factors include: maintain severability; proactive planning; involve contractor and stakeholders; and use after CM/GC experience is gained. In particular, severability is pivotal to creating early work packaging that does not diminish agency negotiating power, and risk cost and schedule growth.

The CM/GC projects with early work packages in this study showed a trend toward controlling project cost growth. Moreover, two of the three case studies support this finding with one-year schedule acceleration due to early work packages; and the third case study with 12% cost savings. Five of the six agency representatives interviewed also stated projects with early work packaging experienced added value often exceeding project goals.

The small sample size in this study limits statistical analyses; however, a triangulated approach ameliorated this shortcoming. Future research should compare the cost and schedule performance of CM/GC projects with and without work packages. As CM/GC matures in highway projects, a larger database of projects can be studied to provide empirical results.

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