

# THE ONSHOREING ERA

Recent policy changes, including the Inflation Reduction Act (IRA), Infrastructure Investment and Jobs Act (IIJA) and the Creating Helpful Incentives to Produce Semiconductors (CHIPS) and Science Act, combined with global trade uncertainty, have fueled a strong resurgence in U.S. manufacturing.

## Key Trends Driving U.S. Onshoring



### Infrastructure Investment

The CHIPS and Science Act, IIJA and IRA fueled manufacturing investment, raising construction spending from just over \$6B in July 2020 to over \$18B in July 2025, per the U.S. Census Bureau.



### Tariff and Trade Uncertainty

Rising costs, supply chain concerns and tariff uncertainty are prompting manufacturers to move operations to the U.S., with exemptions for pharmaceutical plant construction, further boosting onshoring in that sector.



### Growing Industries

While automotive has led manufacturing, growth in aerospace and defense, energy and artificial intelligence (AI) is now boosting demand and prompting manufacturers to move operations to the U.S.

## The Multi-Prime Advantage

Utilizing a multi-prime cooperative contracting model leverages multiple builders' strengths to accelerate progress and share resources effectively on large programs.

Hensel Phelps recently engaged in this framework on a confidential manufacturing campus to build two support buildings totaling 865,000 SF. The site featured:

- 1,200 acres with multiple contractors
- 12,000 personnel at peak
- Over 70 cranes operating simultaneously
- Self-performing more than \$80M in concrete and \$109M in rebar

## Early Contractor Involvement Supports Speed-to-Market

For projects that demand both speed and precision, early contractor involvement in project delivery offers significant advantages.

**Improved Design Collaboration:** Early contractor input ensures that designs are practical, efficient and construction-ready. This collaboration minimizes redesigns and improves overall project quality.

**Greater Cost Control:** Involving contractors early allows the team to collaboratively set a target budget with gainsharing incentives. Real-time cost updates advance early work packages and secure key trade partners before full design completion while maintaining disciplined cost control.

**Designing to Budget:** Continuous cost feedback and collaborative, web-based coordination with designers and trade partners ensures every design decision aligns with the project's budget, performance, and schedule goals for maximum value.

**Predictable Project Delivery:** Early engagement helps identify critical drivers early. Multi-path scenario modeling in the first 90 days highlights and addresses risks before they affect progress, giving owners the speed, predictability and precision required in today's manufacturing market.

**Better Alignment with Manufacturing Needs:** Contractors can align construction sequencing with production system requirements. This coordination ensures smoother equipment installation, commissioning and operational startup.