

Top 10 Areas of State & Local Contracting for 2022

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The following summary of the 10 fastest growth areas in government contracting was based on an analysis of more than 4,000 unique industry Smart Tags over the past two years.

1

Managing Inflation in Building Costs

With shortages and inflation came much higher costs for building materials, especially lumber. To help manage these pressures, government managers increasingly moved to purchase these materials directly rather than as part of the construction contracts.

130%

2

Positioning for Long-Term Success

State and local governments are emerging from the “crisis” mentality of 2020 and are shifting focus to “next steps” and planning for a post-pandemic world – one that requires more consulting services such as strategic and economic planning.

101%

3

99%

Closing Learning Gaps

K-12 school closures and virtual learning ended up creating “learning gaps,” which districts are working hard to address with a range of contracts from tutoring to revamping curriculum.

4

57%

Addressing Operations & Staffing

Government operations were impacted by furloughs and labor shortages, creating demand for services in operations, recruitment and retention of staff.

5

54%

Designing Parks

Demand for designing new park areas was boosted by renewed interest in recreation coming out of the pandemic as well as greater interest in using these spaces as a tool to mitigate climate change.

6

52%

Promoting Equity & Inclusion

The greater stress and frustration of the pandemic led to higher rates of violence against women and minorities – which required more services and special assistance.

7

39%

Enabling the Hybrid Work Environment

With the pandemic, the state and local workforce has transitioned to a “hybrid” environment characterized by remote as well as on premise employees, creating more demand for IT office tools and equipment.

8

36%

Adopting Green Fleets

Electric or hybrid vehicle purchases have risen much faster than the average for all vehicles since 2020, reflecting an increasing commitment to green (particularly EV) fleets driven by legislative action and societal attitudes.

9

27%

Strengthening Mental Health

With demand for mental and behavioral healthcare rising with the pandemic, SLED governments are responding with expanded service capacity, more therapists and programs such as drug rehab centers.

10

21%

Relying on Robots & Drones

Robots and drones have been used for many years in various ways, but the pandemic has been a catalyst, boosting demand for remotely performing various tasks to increase efficiency and worker safety.