



GovWin  
from Deltek

10  
HOTSPOTS

in State & Local  
Government  
Contracting for 2022



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# Identifying Hotspots for Government Contracts

At over \$1.5 trillion, the U.S. state, local and education (SLED) government market typically provides close to 500,000 competitive opportunities for companies each year. This market includes a wide range of purchase types, payments and expenditures on goods and services—from technology to professional business services to construction.

In preparing our annual Hotspots report on the state & local government market, we sifted through thousands of industry sectors and identified 10 products or services that are experiencing much faster growth in usage or adoption by SLED governments - based on factors like new technologies, new standards and the ongoing coronavirus pandemic.

The analysis studied data from GovWin's government market intelligence database of information on current, future and historical transaction information in the government market. To perform this analysis, our team of analysts measured opportunity growth trends using GovWin's proprietary Smart Tags ontology framework, which studies solicitations to apply smart tags that describe the true essence of the product or service being purchased.

For our purposes here, we focused specifically on bids and RFPs to establish annual year-over-year growth rates. In addition to the actual growth numbers, we provided context and background, highlighting key factors behind these changes.

Growth in any given category is not always happening at a consistent rate. In order to help suppliers and service providers target these opportunity hotspots strategically, we also provided geographic "Top 10" rankings by state. These rankings reflect the share of all bids that a given state represents in the last two calendar years.

## A Note on the Coronavirus Pandemic

Last year's Hotspots report highlighted categories specifically related to dealing with the pandemic but the focus in 2021 has been more about the after effects, "next steps" and the transition to a less pandemic-driven contracting landscape. However, we did want to recognize one area not selected as a hotspot that shows continued strength: vaccines and immunology services. Related businesses saw strong demand in 2021.



**\$1.5 Trillion**

Spent annually by state & local governments



**500,000**

Bids & RFPs issued per year



**4,000+**

Unique industry Smart Tags



**10**

Hotspots selected & profiled

# Major Themes in Contracting Hotspots

After examining each of our 2022 hotspots and analyzing common elements and issues, our analysis revealed the following major themes:



## Inflation

One of the most pressing worries of the pandemic, including for government, has been the return of high inflation and its negative impact on purchasing. This is addressed by our #1 hotspot of “Managing Inflation in Building Costs.”



## Automation

By 2021, the labor market disruptions from the pandemic encouraged a greater use of machines to replace certain human tasks, as described in the “Relying on Robots & Drones” hotspot.



## Planning

With the immediate “crisis” mentality of 2020 over, the SLED market has transitioned to longer-term planning, forecasting and “solution seeking” consulting, as seen in our hotspot of “Positioning for Long-Term Success.”



## Workplace

Between the initial furloughs and greater use of remote workers, the pandemic has altered the government workplace in several ways.

Our hotspot for “Enabling the Hybrid Work Environment” covers the trend of governments buying more computer equipment for home and on-premise work, while our “Addressing Operations & Staffing” hotspot touches on the challenges of hiring and retaining staff.



## Well-Being & Equity

Experts agree the stress of the pandemic has negatively affected personal well-being and equity. This theme can be seen in several hotspots including 1) growth in counseling and substance abuse programs in “Strengthening Mental Health,” 2) the focus on protecting women and minorities from violence in “Promoting Equity & Inclusion,” as well as 3) the increased focus on healthy lifestyles noted in “Designing Parks.”



## Education

School districts have been responding to the fact that the disruptions caused by a season of remote learning negatively impacted student learning and growth. Our hotspot of “Closing Learning Gaps” (including various student improvement-related areas) addresses this trend.



## Environment

The ongoing concern for sustainability and protecting the environment can be seen in two hotspots. “Adopting Green Fleets” examines recent growth in electric and hybrid vehicles. “Designing Parks,” in addition to the health benefit, was boosted based on the recent focus of using these parks and greenbelt areas to help mitigate climate change through “carbon sequestration.”

# Relying on Robots & Drones

The use of robots and drones is certainly not a brand new trend in society or government but it's an area that has seen a definite upswing over the last three years. It can be argued that the pandemic helped increase demand and encourage adoption through the furloughs and labor shortages, greater concern for worker safety and a need to "do more with less" by accomplishing repetitive tasks with more efficiently. Higher construction costs may have also encouraged the use of robots to replace highly skilled laborers for DIY projects and perform certain tasks in a precise, reliable way. Advances in drone technology have also made remotely piloted drones more affordable, reliable and safe – protecting government staff from possible risks associated with doing that work on site.

The use cases for these machines can be broken out into the following areas:

- Remote surveillance and crime detection in law enforcement
- Remote traffic monitoring/management and collecting driver behavior data
- Remote site monitoring for smoke and fires for fire department teams
- Remote robotic bomb detection and detonation
- Remote underground investigation of unknown chemicals, hazardous materials or leaks

- Robotic assistants in laboratories
- Robotic performance of construction work
- Robotic transport of building materials

As one example, in New York, a "robot police dog" was tested by the NYPD, which can crawl into tough places and take extra risks. As the department [tweeted](#) in February 2021,

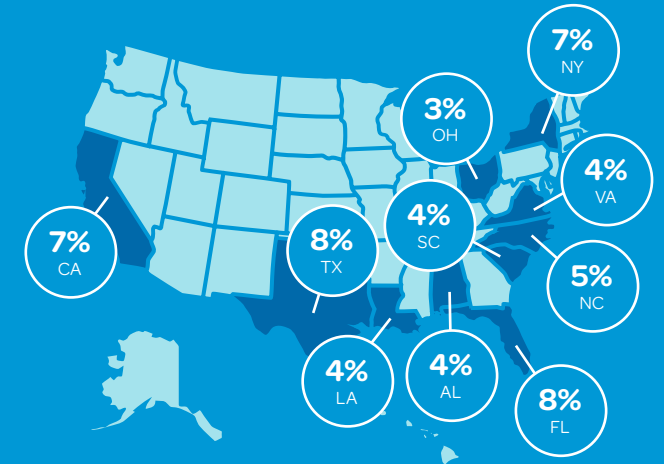
**"The NYPD has been using robots since the 1970's to save lives in hostage situations & hazmat incidents. This model of robot is being tested to evaluate its capabilities against other models in use by our Emergency Service Unit and Bomb Squad."**

This hotspot was defined using the Smart Tags of: robotic products, industrial robots, laboratory robots, extraction robots, aerial drones, unmanned aircraft, unmanned ground vehicles, and unmanned marine vessels. Following a slight increase from 2019 to 2020, demand rose by a healthy 21% since 2020 on a year-over-year basis, from 354 bids and RFPs to 430.

## IMPLICATIONS FOR CONTRACTORS

Product manufacturers and resellers should target contracting opportunities in these specific use cases within state and local government contracting.

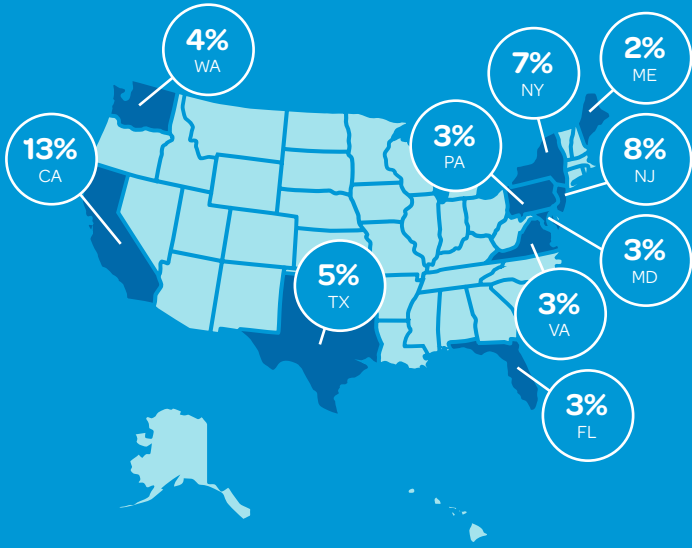
## TOP 10 STATES FOR RELYING ON ROBOTS & DRONES



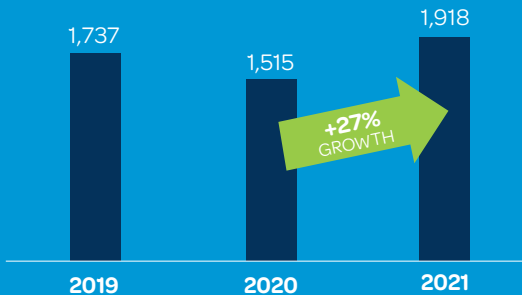
## RELYING ON ROBOTS & DRONES (Bids & RFPs Issued)



## TOP 10 STATES FOR STRENGTHENING MENTAL HEALTH



## STRENGTHENING MENTAL HEALTH (Bids & RFPs Issued)



HOTSPOT  
09

# Strengthening Mental Health

While the delivery of traditional “health” services has been in the spotlight during the last two years with the pandemic, one area that is often overlooked is the increased demand specifically for mental health services of various kinds.

As experts have explained, the pandemic’s impacts on employment, finances and personal health, along with new behaviors like mask wearing and uncertainty about the future, have resulted in stress and behavioral disorders at much greater rates among the general population. [AARP](#) in January 2022 published an article with the title, “Anxiety and depression are becoming chronic problems as the pandemic drags on.” They state,

**Americans’ mental health needs during the pandemic already began raising alarms months ago. Last year, the National Alliance on Mental Illness (NAMI) HelpLine... received 1,027,381 calls. That’s up 23 percent from 2020 – when call volume was up 27 percent over 2019. But the emotional strain has grown more acute in recent months...**

Publicly-funded mental and behavioral health facilities including drug rehab centers have needed to put out extra bids for assistance with boosting raw service capacity, therapists, programs and tools.

It’s also been reported that children and K-12 students have been particularly impacted – a group that has struggled

with the isolation of quarantines and social distancing. For example, a [Wall Street Journal](#) article reported that in response to various behavioral problems related to the pandemic, districts have been boosting funding for counseling.

An [ABC News](#) article quoted a South Carolina state Superintendent of Education where the need for more mental health resources aimed at children was discussed. The Superintendent stated that,

**“The pandemic has had a profound effect on children and their physical and mental health. We know the negative, long-term effects of trauma and stress, especially the impact it can have on a child’s developing brain.”**

Bids and RFPs specifically for mental health have grown by 27% year-over-year since 2020, with a 2021 volume ending well above the 2019 starting point.

### IMPLICATIONS FOR CONTRACTORS

Mental health providers and healthcare firms should examine opportunities to expand their operations through contracts with SLED governments.

# Adopting Green Fleets

“Green fleets” are primarily composed of electric vehicles (EV) as well as hybrid models of cars and trucks. Natural gas models, which reflect a smaller niche, actually declined somewhat, and were not included in this definition. We identified these bids using Smart Tags for vehicle types (i.e. SUVs) and then adding keywords. With an overall growth rate of +36% in bids and RFPs since 2020, this category has been a strong performer, and has well exceeded the +19% growth in bids across all land vehicles.

While recent volumes have not yet surpassed pre-pandemic levels, this is one of the areas of contracting with the brightest outlook over the next 2-5 years and should only continue to expand. For example, the Infrastructure and Jobs Act of 2021 includes billions in new funding for electric buses – which will help boost growth rates. Specifically for 2021, this hotspot includes electric vehicle sedans, up 78%; truck and SUV hybrids, up 43%; sedan hybrids, up 14%; and electric buses, flat for now but should begin to ramp up soon.

This hotspot has been heavily influenced by rules and legislation supporting green vehicles. Many SLED governments have initiatives in place to obtain an all-green fleet by a certain benchmark, but actual fleet electrification (EVs) along with installing charging stations is increasingly a high priority.

For example, according to one auto [industry article](#),

**“Electric vehicle demand data is also an important tool for federal and state policymakers designing new rules and regulations that drive the rollout of clean vehicles. For example, the Advanced Clean Truck rule, designed to accelerate the growth of clean trucks, vans, and other large commercial vehicles, was adopted by six states...”**

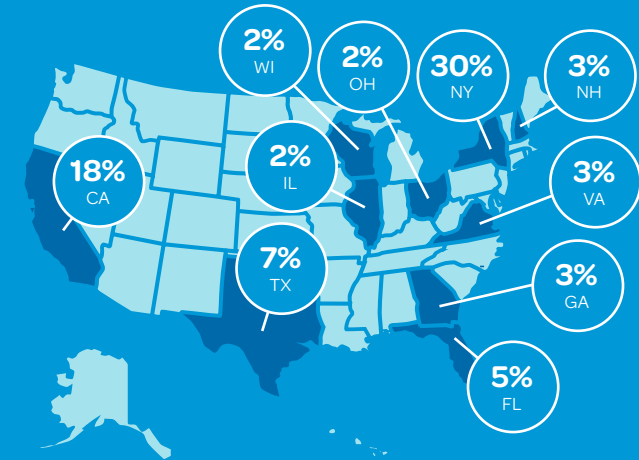
An [industry analysis](#) examined the expected growth of EVs. While “Less than 1%” of cars and light duty trucks in operation within the U.S. are electric, “By 2035, about 45% of new car sales could be electric,” according to industry analysis by IHS Markit.

One of the limitations to date has been supply and fleet pricing. Vehicle manufacturers are beginning to roll out new EVs into their line up and should eventually support group purchasing with sizable fleet discounts (which until now haven’t been possible due to the limited production, heavy consumer demand and premium pricing of these models). Both supply and pricing should improve.

## IMPLICATIONS FOR CONTRACTORS

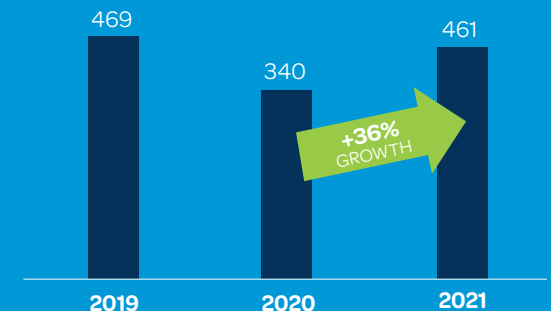
Vehicle dealers and manufacturers should study current trends in demand as well as supportive legislation and incentives as they develop their marketing and sales plans.

## TOP 10 STATES FOR ADOPTING GREEN FLEETS

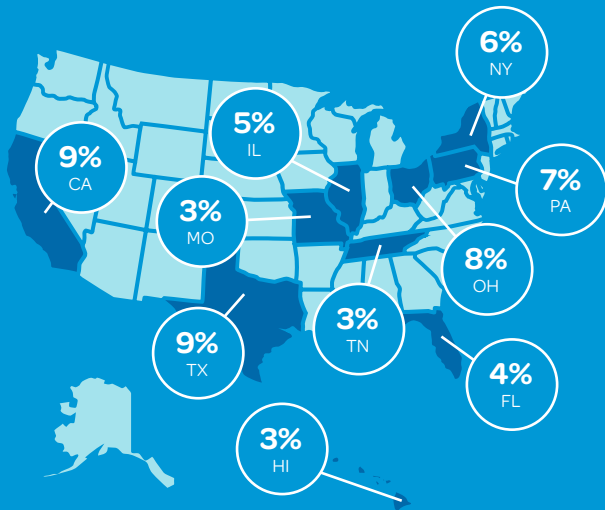


## ADOPTING GREEN FLEETS

(Bids & RFPs Issued)

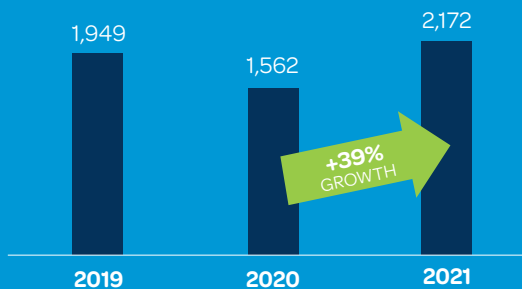


## TOP 10 STATES FOR ENABLING THE HYBRID WORK ENVIRONMENT



## ENABLING THE HYBRID WORK ENVIRONMENT

(Bids & RFPs Issued)



HOTSPOT  
07

# Enabling the Hybrid Work Environment

The workplace has undergone a major transformation over the past couple of years. As the COVID-19 pandemic winds down, it has become clear that many employees do not want to return to an office full-time and that employers are willing to acquiesce. The result is a new hybrid work environment where employees can split their time between the office and home, can be fully remote, or can make the occasional office appearance. This phenomenon is not unique to the corporate world and is occurring just as much for public sector employers as it is for private sector ones.

The adoption of widespread remote work by public sector agencies is unprecedented, but it does provide state and local government with an opportunity to reframe the workplace. To this end, the public sector's acquisition of office-related technology and equipment has increased significantly. This type of investment is crucial according to [Deloitte](#):

**“To ensure that workers can do their best work in personal as well as shared digital workplaces, organizations can take a number of steps including ensuring cybersecurity, encouraging seamless collaboration with the right digital tools, and investing in resources and training to build digital competence and skills.”**

Indeed, creating a seamless hybrid work experience for employees requires arming them with the proper tools. The state and local marketplace is seeing a significant increase in bids and RFPs in the Smart Tags of computer memory, docking stations, networking cables, video cards and printers/copiers/scanners, as well as copier repair. Given this growth, tech companies that specialize in office equipment should consider marketing themselves as providers for both the office and the home.

This “[new normal](#)” work environment may not last forever, but it certainly will for the foreseeable future, if only because employers are afraid of losing their employees. In polls and surveys, many remote employees report that they would [quit their jobs](#) if required to return to an office full-time. On a positive note, employers are also reporting [higher productivity](#) among their remote employees.

Demand for products and services to support the hybrid work environment has grown by 39% since 2020 – surpassing the 2019 pre-pandemic volume.

## IMPLICATIONS FOR CONTRACTORS

Technology suppliers of these types of equipment should consider these hybrid work trends and how to position themselves as an experienced, trustworthy source with an understanding of SLED government.



## Promoting Equity & Inclusion

A major area of federal legislation since the 1960's has been in the areas of equity, inclusion and protection for women and minorities. These laws at the national level have led to special programs and initiatives at the local and state levels as well, in order to make sure citizens of all backgrounds are treated with equality, protected from violence and abuse and given equal opportunities for success.

At times, real-world events end up heightening public awareness of these issues and lead to calls for additional funding or public services. For example, the death of George Floyd led to a movement around addressing unfairness in police methods and protecting the rights of minorities.

The COVID-19 pandemic has created another such moment in causing rates of violent crime and abuse suffered by women and minorities to rise at a time of added stress, uncertainty and frustration. As [Time](#) magazine put it,

**“No less than the battle against the COVID pandemic, the battle against the abuse pandemic is certain to be an ongoing one.”**

Adding to the climate of crisis was the fact that the major legislation protecting women, the *Violence Against Women Act*, had actually lapsed in 2019 and although it was re-

authorized in the U.S. House in March, 2021 it was still not enacted by year end. The delays in this process coincided with higher rates of crime against women and minorities from the pandemic, placing great pressure on SLED officials to ramp up local and statewide funding and initiatives.

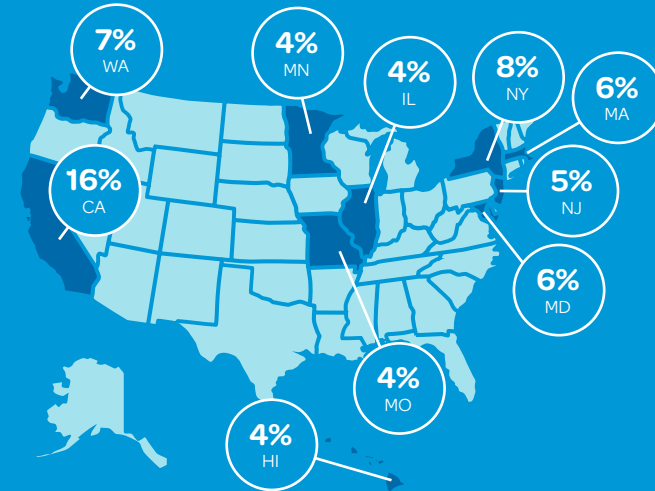
This hotspot can be divided into “violence against women,” [made worse](#) during the lockdowns, “violence against ethnic minorities”, as heavily minority neighborhoods had a much [greater increase](#) in violent crime, and “hate crimes against Asian Americans”—[widely reported](#) to rise due to the reported Asian origin of COVID-19.

Among GovWin's Smart Tags are several related to this topic, including social equality services, domestic violence services, sexual abuse services and workplace violence services. The volume of bids and RFPs have increased 52% since 2020 as a result of the greater awareness and concern.

### IMPLICATIONS FOR CONTRACTORS

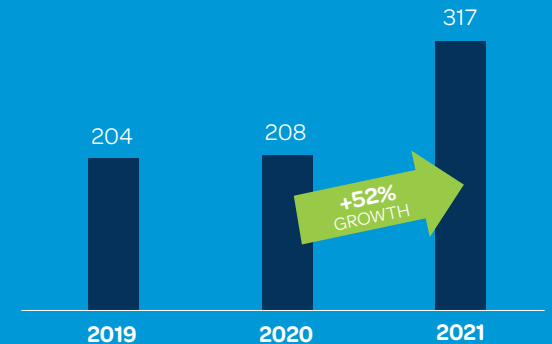
Companies offering social services in these areas should look for opportunities to advise state and local governments on trends, results and best practices.

### TOP 10 STATES FOR PROMOTING EQUITY & INCLUSION

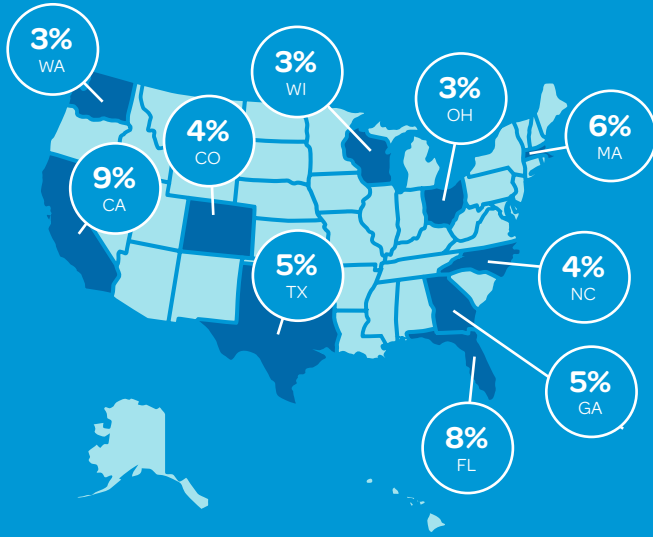


### PROMOTING EQUITY & INCLUSION

(Bids & RFPs Issued)



## TOP 10 STATES FOR DESIGNING PARKS



## DESIGNING PARKS (Bids & RFPs Issued)



## HOTSPOT 05

# Designing Parks

While the design of new and remodeled parks facilities was greatly impacted by the 2020 pandemic with a loss of 30% in bid volume, the rebound and recovery in 2021 was impressive, at +54%. This pointed to parks as an important priority, not only closing the gap but raising the level well above the 2019 starting point. Several factors were seen in pushing this issue to the forefront such as the trend toward healthy lifestyles, environmental benefits, and competition for being a “livable” city or community.

Usage of parks increased after the initial months of the pandemic as outdoor activities were seen as safer than indoor and there was a renewed focus on health, enjoying nature and traditional recreation. The [American Society of Civil Engineers](#) state that while demand for parks among users is increasing, “State parks and local parks face a \$5.6 billion and \$60 billion deferred maintenance backlog, respectively.” As the healthy lifestyles trend continues, awareness of these unmet needs should increase.

There has been more attention paid to the environmental benefits of parks and open spaces to help address climate change and resiliency. This includes the concept of “carbon sequestration.” As the January 2022 edition of [Land Use Policy](#) states, “A recently recognized benefit of greenbelts is the ability to store and sequester carbon to offset greenhouse gas emissions and mitigate climate change...” They go on to recommend that, “planners, elected officials, and concerned citizens should support

the creation of greenbelts and the protection and preservation of forests and wetlands as carbon sinks.” [HR&A Advisors, Inc.](#) has been studying the positive impacts of parks within the City of Dallas. They found “Dallas parks saw a \$10.2 million return on investment for “Air Quality and Carbon Sequestration.” The [American Society of Landscape Architects](#) (ASLA) reported a strong connection between improving landscaping and climate change. They note that “city and local governments are the foremost drivers of demand for climate change-related planning and design projects.” A majority of these consultants are working to “persuade city [and] local government... to update policies and regulations” – which supports higher volumes of RFPs.

Finally, it can be argued that the [Smart Cities](#) movement has contributed to a sense that cities and counties are not just competing for jobs and tech investment but also to be “livable” in terms of amenities such as adequate parks. To attract new residents and keep current ones satisfied, parks becomes a “can’t miss” variable.

## IMPLICATIONS FOR CONTRACTORS

Architects and engineers specializing in parks should identify future projects in capital spending plans and advise parks managers about climate issues and resiliency.

# Addressing Operations & Staffing

Few challenges in recent decades have affected the operations and staffing of SLED governments like the pandemic. Even though massive stimulus was authorized, layoffs were still needed to stabilize government finances and be fiscally responsible. The furloughs or cuts in staff were joined by the added disruption of shifting employees to remote work. Beginning in 2021, governments were able to bring back many of their furloughed staff but due to the challenges of the tight labor market and preference for opting out or resigning, SLED operations chiefs had to place more emphasis on hiring and recruiting. At the same time, they also had to worry about motivating and retaining their existing workforce – who may have become more frustrated due to the lack of staff.

GovWin analyzed monthly job growth and found that near the onset of the pandemic in Q2 '20, SLED staffing levels immediately fell to 93.6% of normal. One year later they had only recovered slightly to 94.8% and by Q4 2021 they reached 96.4%. State agencies shifted downward from 99.7% in Q2 '20 to 97.8% by Q4 '21 as they took the opportunity to become leaner in staffing.

In a 2021 [SLED workforce survey](#), by the MissionSquare Research Institute (formerly known as the Center for State and Local Government Excellence) it was noted that,

**“New research assessing the state and local government workforce finds jurisdictions are facing acute challenges recruiting employees in several critical areas.”**

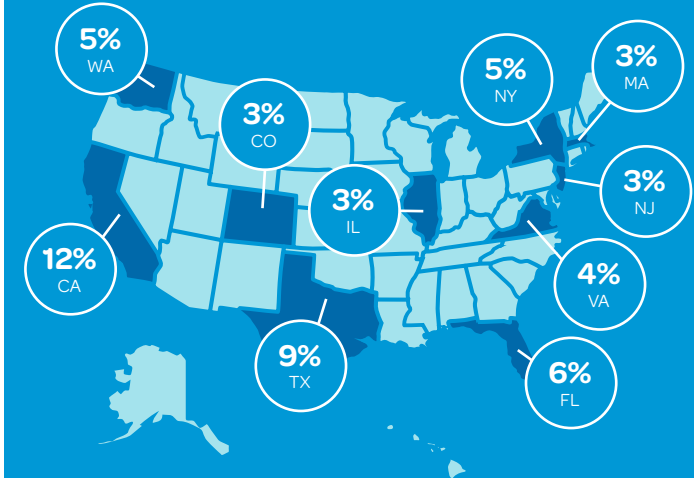
This included challenges in healthcare, corrections, skilled trades and engineering. The report indicated, “For governments looking ahead, offering a competitive compensation package is often their highest priority.” There is evidence that benefits are an important advantage for SLED governments. A recent [study](#) found that the “benefits offered by state and local governments can help attract and retain workers even amidst the Great Resignation.” The ability to continue working from home was cited by the SUNY Rockefeller Institute of Government as a flexible [benefit](#) that helped with recruitment.

This Hotspot was defined by the Smart Tags of operational planning services, compensation services and executive search services. The volume of opportunities rose by 57% year-over-year from 837 in 2020 to 1,314 in 2021.

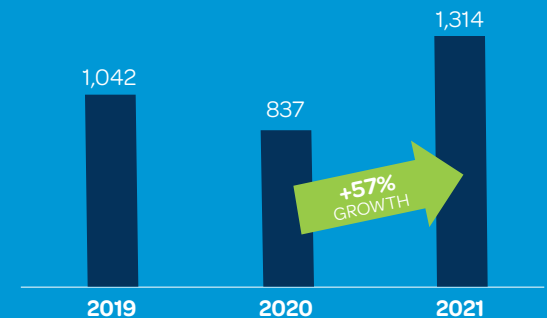
## IMPLICATIONS FOR CONTRACTORS

Providers of business consulting services in operations and employment should try to understand the newer pressures and challenges facing SLED governments.

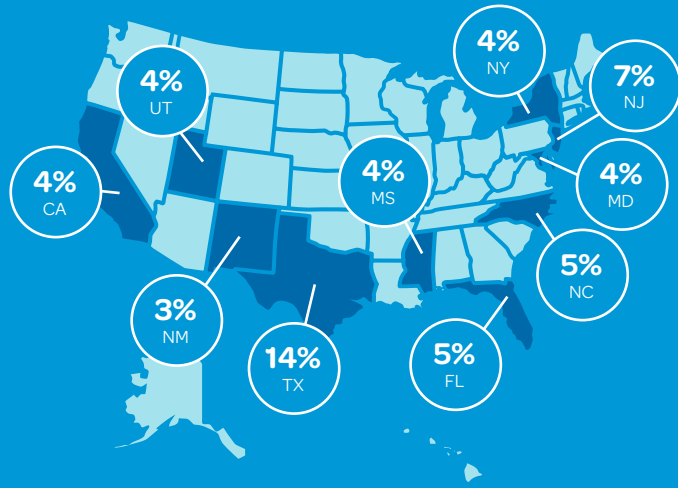
## TOP 10 STATES FOR ADDRESSING OPERATIONS & STAFFING



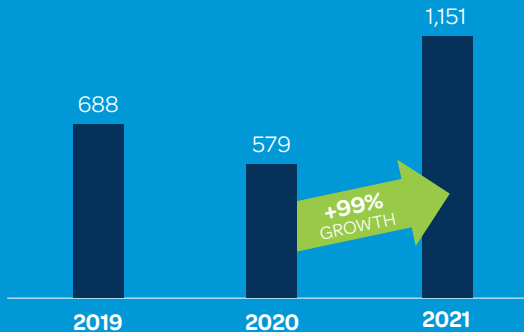
## ADDRESSING OPERATIONS & STAFFING (Bids & RFPs Issued)



## TOP 10 STATES FOR CLOSING LEARNING GAPS



## CLOSING LEARNING GAPS (Bids & RFPs Issued)



## HOTSPOT 03

# Closing Learning Gaps

After a disruptive 2020, public K-12 school districts took extra measures to try to address the “learning gaps” that had emerged due to the temporary closure of in-person learning. While some independent and self-motivated students thrived in this new virtual environment, others fell behind in measurable ways that were concerning for school officials and planners. With the re-opening of schools in 2021 came a push for learning recovery and finding ways to prevent students from falling further behind. Federal funding was also made available to assist local districts.

These purchases are represented in our database by Smart Tags such as: Tutoring services, student assessment and information systems, educational intervention services, school counseling, student success programs, science and math education programs, curriculum design and curriculum supplies.

One [article](#) reported on declines in math and language skills from 2019 to 2021 and mentioned actions taken:

**“South Bend Schools have been creating more learning opportunities—like Saturday academies and summer school—to get kids back to in-person learning. They’re also changing literacy instruction to help get the 30-percent of students not reading on grade level caught up.”**

[The Brookings Institution](#) reported that one of the big lessons of the pandemic was the importance of tutoring in addressing learning gaps. They note that “Education leaders should expand the use of tutoring as a reliable, workhorse tool...”

A new [advocacy group](#) was started on a national basis called the Council of Chief State School Officials (CCSSO), “To address unfinished learning and other educational issues caused by the pandemic.” They promote “student success by highlighting the priorities needed... summarized in four actions: reopen schools, re-engage students, support students in recovering unfinished learning, and reimagine education systems for the long term.”

Bids and RFPs in these areas rose +99% as school districts rushed to revamp their curriculum, student success and learning programs.

### IMPLICATIONS FOR CONTRACTORS

Educational vendors and consultants should keep up with current trends in learning gaps within public K-12 to prepare and fine-tune their offerings.

# Positioning for Long-Term Success

Governments are always expected to plan for their future needs and have a long-term horizon in mind, but in practice these kinds of activities often are de-emphasized during a recession or downturn and then are re-energized during the recovery period that follows. We examined this dynamic in our report on [bid trends in the professional and financial services industries](#). While financial services tend to be purchased more evenly across the years, strategic planning and related functions tend to flex more with business confidence, showing much stronger growth in the post-recession recovery years of 2014-19 (3.5% per year in opportunities versus only 1.3% for financial services).

We defined this hotspot by four Smart Tags dealing with services having to do with:

- Strategic planning services
- Economic planning services
- Demography services
- Land acquisition services

While these kinds of forward-looking services were cut by 30% in 2020 due to the pandemic, furloughs and the move to virtual or hybrid government workforces, they exploded in demand in 2021 by +101% (from 801 bids and RFPs to 1,610). The extra volume above 2019 points to an urgency in the current environment to “figure out” next steps and set expectations. It’s been pointed out that this

uncertainty still requires careful planning to position public organizations but may need more flexibility.

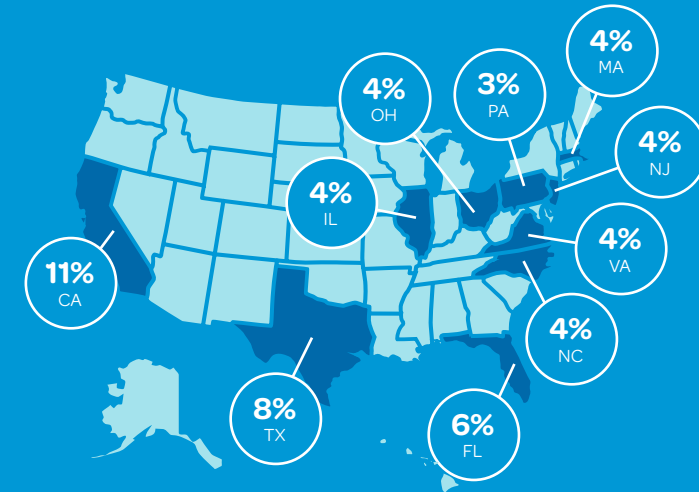
A [Harvard Business Review](#) article about planning for the next pandemic noted that governments should be careful about trying to be too specific—“because you can never predict exactly what’s going to happen.” As they put it, “it is better to develop the capability to be nimble.” While historically, smooth or incremental changes are to be expected, the future may end up increasingly disconnected from the status quo of past trends. For example, in terms of setting goals for the future workforce, the [consensus](#) is that it will likely end up heading in a different direction:

**“It is not simply a matter of getting back to ‘normal’ but recognizing that the new normal may not require the same workforce. What had once been predicted to be a state workforce 4 percent larger ten years down the road is now predicted to be 2 percent smaller.”**

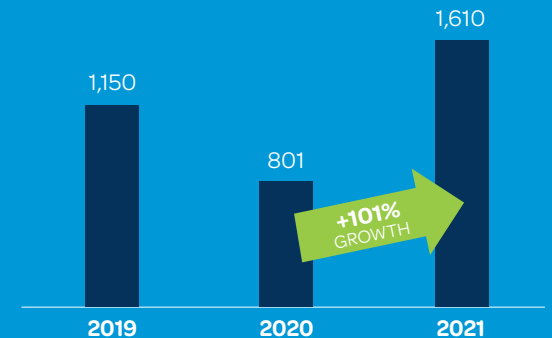
## IMPLICATIONS FOR CONTRACTORS

As SLED governments shift to being more forward-looking, consultants in these areas should offer deep expertise and thought leadership while developing relationships with government officials and planning staff.

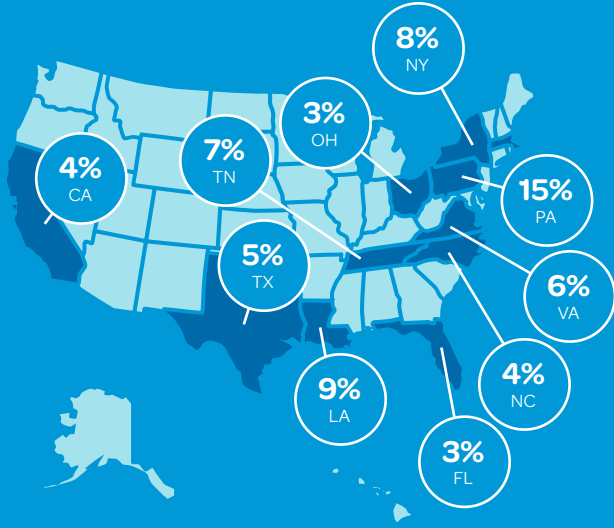
## TOP 10 STATES FOR POSITIONING FOR LONG-TERM SUCCESS



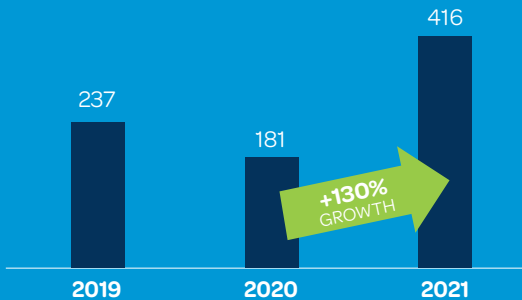
## POSITIONING FOR LONG-TERM SUCCESS (Bids & RFPs Issued)



## TOP 10 STATES FOR MANAGING INFLATION IN BUILDING COSTS



## MANAGING INFLATION IN BUILDING COSTS (Bids & RFPs Issued)



## HOTSPOT 01

# Managing Inflation in Building Costs

The construction industry has been challenged recently from factors such as rising materials costs, supply chain disruptions and skilled labor shortages. Not adjusted for inflation, the ratio of advertised bids for construction to total spending averaged around 615-620 per billion dollars prior to the pandemic. This fell to around 500 during mid-2020 and early 2021. In other words, the average amount of dollars being spent per contract went up. Buyers simply bought fewer projects for every billion spent. While some of this can be attributed to increases in wages, much of it was due to inflation in building materials such as lumber, steel, copper and PVC pipe.

Leading global consulting firm HKA recently [recently explained](#) that COVID-19 along with the closing of the Suez Canal hampered supply chains, created shortages and sparked “increases in the costs of construction materials.” They reported that lumber costs rose as high as 350% at one point, settling back to “only” 100% higher by July 2021. The [American Institute of Architects](#) (AIA) stated, “While moderating, supply chain disruptions continue for many materials and products, and are expected to be problematic throughout most of 2022.”

Prior to the pandemic, SLED governments were used to making a fairly small number of purchases in the Smart Tags of lumber and engineered wood (around 200 per year combined). However, by 2021 this volume of purchasing had more than doubled – growing 130% from 181 in 2020 to 416 by 2022 (see chart).

This trend reflected an urgent need on the part of SLED officials to try to manage the inflation pressures that were hampering their ability to carry out projects. In addition to adding dollars to the initial contracts to offset risks, prime contractors could also negotiate higher prices after the fact using escalation clauses. For example, HKA also noted in their article that, “some New York public contracts include a clause that provides for a price adjustment when the increased cost of materials exceeds 15 percent of the contract price.” By having more governments buy their own lumber it can theoretically not just save money but lead to more accurate pricing of the construction work itself.

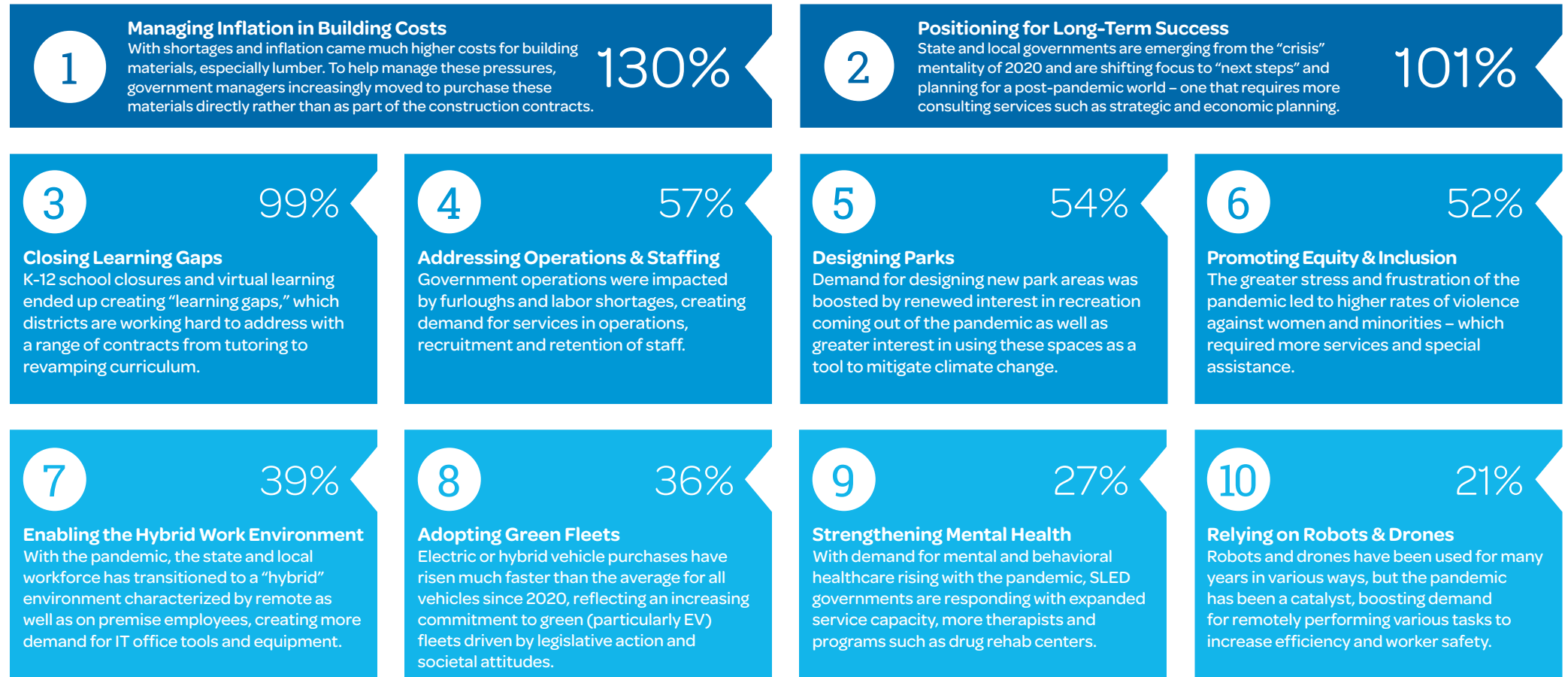
The intent of these direct purchases by governments was to take back control over the process by either 1) adding an extra contract for supplies, eliminating the markup, or 2) stockpiling larger quantities of materials in warehouses at current prices to protect against future price increases.

### IMPLICATIONS FOR CONTRACTORS

Building materials suppliers should understand the shift in public sector preferences toward directly procuring supplies and being proactive to manage inflationary pressures.

# Top 10 Areas of State & Local Contracting for 2022

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.





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