



Research  
Report

# A Look Back at Fiscal Year 2021's Government Contract Spending

# Research Report

Every year federal, state, and local governments across the U.S. have a budget that allows them to spend on a variety of different goods and services throughout the year. Over the past few years spending on government contracts has increased to keep up with the evolving needs of our cities, counties, municipalities, schools, special districts and more. Although spending varies and some states, counties, and government agencies receive more funding than others due to different factors such as population, the types of projects, or the number of government agencies in a given area, it doesn't mean that there aren't other states who are issuing a high number of contracts per year.

If you're interested in doing business with the government, know there are thousands of new [bidding opportunities](#) published per month for your business to bid on in a variety of different industries across all 50 states.

In this article we'll look at state spending on government contracts over the past 12 months, along with federal spending in FY 2021, to see what kind of opportunities are out there for your business.



Everyday purchases of goods and services are made by the government to help sustain communities and boost the nation's economy.

## Why is Public Procurement so Important?

Everyday purchases of goods and services are made by the government to help sustain communities and boost the nation's economy. Public procurement operates within every government entity from the local to federal level. Through public procurement we can maintain and update our nation's infrastructure, provide services for IT, finance, A&E design, digital services, and consulting, as well as, purchasing products to allow all the different departments and agencies to run smoothly and efficiently with items such as office supplies, mailing and courier services, computers, software products and so much more.

# Top Priorities of Public Procurement

Buying and selling between government agencies and suppliers is essential for our economy to continue growing and that's why the government continues to spend trillions of dollars each year to procure these goods and services. As public procurement becomes more important every year, the [National Association of State Procurement Officials \(NASPO\)](#) has outlined the top ten priorities for state procurement in 2022:

1. Customer service to agency stakeholders
2. Central procurement office as a strategic leader
3. Continuous procurement improvement
4. eProcurement
5. Training and certification
6. Talent management and succession planning
7. Analytics for data-driven decision making
8. Effective contract administration
9. Promoting supplier diversity
10. Tracking performance metrics to achieve procurement goals

# State Spending on Contracts

No matter which states you're doing business in, all have spent millions to billions of dollars awarding contracts to thousands of qualified businesses. The chart below shows 10 states that have spent billions of dollars on contracts over the past 12 months:

STATE	NUMBER OF CONTRACTS	TOTAL CONTRACT SPENDING
CALIFORNIA	267,548	\$42.7B
TEXAS	238,192	\$44.8B
NEW YORK	247,223	\$29.2B
FLORIDA	162,196	\$21.9B
PENNSYLVANIA	424,858	\$14.1B
MINNESOTA	54,407	\$2.3B
INDIANA	28,465	\$4.9B
VIRGINIA	381,556	\$60.5B
ILLINOIS	533,262	\$11.1B
KENTUCKY	34,831	\$8.1B

(Source: [State Profiles](#). *USAspending.gov*, 24 Feb. 2022)

Any of these states listed would be a great option for your company to do business in within the public sector. If you already do business in any one of these states, be prepared for more spending like this in the months and years to come. Don't worry if your company can't do business within these states, this is just a glimpse into what state spending has been on government contracts, so this doesn't mean you can't find a lucrative contract within your state to bid on. If you have the resources, try bidding in multiple states or even nationwide, to increase your chances of winning more contracts.

# Federal Spending on Contracts

The U.S. federal government is the largest purchaser in the world and spends trillions of dollars each year on contracts. For FY 2021, \$1.1 trillion was spent on contractual services and supplies by the federal government. Already for FY 2022 \$258.1 billion has been spent on contractual services and supplies and with only a few months in the federal fiscal year complete, this amount will surely increase greatly.<sup>1</sup>

Let's look at the top 10 federal agencies that have received much of this \$1.1 trillion funding in FY 2021:

NAME	OBLIGATED AMOUNT
DEPARTMENT OF DEFENSE	\$496.7B
DEPARTMENT OF HEALTH AND HUMAN SERVICES	\$130B
DEPARTMENT OF TREASURY	\$128B
DEPARTMENT OF VETERAN AFFAIRS	\$73.3B
OFFICE OF PERSONAL MANAGEMENT	\$64.9B
DEPARTMENT OF ENERGY	\$40.5B
DEPARTMENT OF HOMELAND SECURITY	\$34.4B
GENERAL SERVICES ADMINISTRATION	\$28.1B
DEPARTMENT OF AGRICULTURE	\$21B
NATIONAL AERONAUTICS AND SPACE ADMINISTRATION	\$19.6B

(Source: n.d. [Spending Explorer: Contractual Services and Supplies](#). *USAspending.gov*, 24 Feb. 2022)

As you can see from the chart above, each department of the federal government has been granted a large sum of funds to procure several different types of goods and services, the opportunities are available for your business to go after, no matter what level of government you choose to work with.

# Find More Government Bidding Opportunities

As a business that strives to help streamline the procurement process, **bidnet direct** continues to support these priorities by providing a platform for buyers to utilize by being able to list solicitations and RFPs for the goods and services they require.

It also allows suppliers to be able to search for these bids, download documents and submit their proposals all in one location. Suppliers who are registered will also receive daily bid notifications with bids that match with the goods and services the company sells along with [exclusive bids](#) from federal, state, and local agencies, giving you an advantage to win more contracts.

Andrea Cortina • **bidnet direct**

# End Notes

- 1 n.d. [Spending Explorer: Contractual Services and Supplies](#). *USAspending.gov*, 24 Feb. 2022.