How did the Federal Government Contracting dollars impact Arkansas’ economy in 2015?

By Max Franks
November 20, 2015

Now that the federal government’s contracting year has ended as of September 30th, I wanted to look back on how the contracting dollars were spent in the state of Arkansas. This could help small businesses plan for the 2016 contracting year. The first action was to review USA Spending’s web site for total dollars spend thru contracting in Arkansas, we found a total of $820,525,107 of which 57 percent or $461,581,362 was by Arkansas contractors. We see that the other 43 percent or $359,021,322 was won by out-of-state contractors for Arkansas based contracts. Second to put this in perspective we review the states that border Arkansas, The total for 2015 by state of Federal Contracts was:

LA $2,196,296,018, TN $6,103,824,965, MO $7,303,135,468, OK $2,162,996,996, TX $28,995,455,920, and MS $3,222,858,231.

We see that of all our neighboring states Arkansas has the least amount of federal government contracting dollars for 2015. Arkansas based contractors won only 57 percent versus 43 percent of those contracts. In comparison, the Mississippi total contracting dollars MS contractors won $2,449,026,803 or 75 percent. What should Arkansas Small Businesses do in preparation for the 2016 federal contracting year? We must never take for granted that just because the solicitation is in our own backyard, that we can do it cheaper, or, that the cost of doing business is less. We shouldn’t assume that we can live with a smaller profit margin than that of other businesses we are competing against. This can be the deciding factor in federal government contracting for us getting the awards. We must think regionally, that is why many of the out-of-state contractors are being awarded Arkansas based federal contracts. In today’s market place we must be prepared to work with other companies thru teaming and subcontracting agreements to expand our business coverage area. Businesses need to be hungry for the next bid or contract in order to grow and help build Arkansas’s small businesses and our economy.

As you prepare for the 2016 contracting year, what goals have your set for yourself and your company and how will you meet these goals? Do you have a business plan in place, does it need to be dusted off and updated? Are you working with Arkansas Procurement Assistance Center to assist you in your search for new markets? Now that we have reviewed the past year, let’s plan to grow in 2016 and win those contracts and help Arkansas’ economy. More jobs, more dollars and more employees.

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