

8(a) Construction – How to Target Opportunities for a New 8(a) Firm

Based upon our search of the SBA’s small business database there are 22 non-tribally owned 8(a) construction firms in the state of Oklahoma. These firms combine for \$80MM in sales doing on average \$3.6MM per firm. Total Federal Construction Spending in the state for 2015 was \$284MM so 8(a) firms accounted for 28% of federal spending in the state.

The next step was to review the 8(a) firm’s data on USA Spending reviewing the agencies that each of these firms obtain their contracts. We can dig-down even deeper and find the exact location and procurement officer of each of the 294 requisitions but that is not the point of this exercise. Here we are just focused on what agencies are spending construction dollars.

Generally the DoD is approximately 80-90% of federal construction spending for 8(a) firms. The DoD is the big well but sometimes firms can do very well getting in with other agencies. In this example we see that the HHS, Department of Health and Human Services is very active in construction spending and accounted for 22% of federal construction spending. Additionally its actions/contracts were the largest on average in the state. HHS would be potentially a good market for an established 8(a) construction firm. Smaller 8(a) construction firms located in Oklahoma that recently obtained their 8(a) Certification would be better served to focus on smaller actions/contracts such as those offered by the GSA, DHS, or the Department of Energy as these are all under \$100,000 and should be relatively easy for a new 8(a) firm to obtain.

This type of analysis is critical for new 8(a) firms in construction or any industry. In construction geographic location is generally more important factor than for other industries but knowing what agencies are the buyers and the size of their procurements is the first stage of developing a firms overall 8(a) marketing plan.

Federal Agency	Number of Actions	Total Federal 8(a) Construction Spending in Oklahoma	Average Spending per 8(a) Action	Percentage of 8(a) Construction Sales Oklahoma
DoD	185	45,599,014	246,481	57%
HHS	16	17,927,479	1,120,467	22%
GSA	39	3,696,465	94,781	5%
NASA	3	3,337,026	1,112,342	4%
Treasury	7	2,533,889	361,984	3%
Commerce	4	1,831,800	457,950	2%
Agriculture	8	1,406,958	175,870	2%
VA	10	1,342,544	134,254	2%
Interior	3	1,034,100	344,700	1%
GAO	3	651,796	217,265	1%
Labor	1	529,986	529,986	1%
DHS	6	394,244	65,707	<1%

Energy	7	289,224	41,318	<1%
SS	2	27,588	13,794	<1%
Total	294	80,602,113	274,156	