

**United States Small Business Administration
Office of Hearings and Appeals**

NAICS Appeal of:

ARMADA, Ltd.

Appellant,

Solicitation No. 15JPSS25R00000055

U.S. Department of Justice

SBA No. NAICS-6359

Decided: June 24, 2025

APPEARANCES

Brandon E. Dobyns, Esq., Suzanne Summer, Esq., Stephen G. Darby, Esq., Taft Stettinius & Hollister LLP, Dayton, Ohio, for ARMADA, Ltd.

Devon E. Hewitt, Esq., Potomac Law Group, PLLC, Washington, D.C., for Watermark Risk Management International, LLC

Allison J. Polizzi, Contracting Officer, U.S. Department of Justice, Washington, D.C.

DECISION

I. Introduction and Jurisdiction

On May 20, 2025, the U.S. Department of Justice (DOJ) issued Request for Proposals (RFP) No. 15JPSS25R00000055 “to support the Security and Emergency Management Staff.” (RFP at 2.) The Contracting Officer (CO) set aside the procurement entirely for small businesses and assigned North American Industry Classification System (NAICS) code 561110, Office Administrative Services, with a corresponding \$12.5 million annual receipts size standard. (*Id.* at 62.)

On May 29, 2025, ARMADA, Ltd. (Appellant) filed the instant appeal, contending that the CO clearly erred in selecting NAICS code 561110, and that the correct NAICS code for the procurement is either 541611, Administrative Management and General Management Consulting Services, with a corresponding \$24.5 million annual receipts size standard or 561611, Investigation and Personal Background Check Services, with a corresponding \$25 million annual receipts size standard. For the reasons discussed *infra*, the appeal is DENIED.

The U.S. Small Business Administration (SBA) Office of Hearings and Appeals (OHA) decides NAICS code appeals under the Small Business Act of 1958, 15 U.S.C. § 631 *et seq.*, and 13 C.F.R. parts 121 and 134. Appellant filed the instant appeal within 10 calendar days after issuance of the RFP, so the appeal is timely. Federal Acquisition Regulation (FAR) 19.103(a)(1); 13 C.F.R. §§ 121.1103(b)(1) and 134.304(b). Accordingly, this matter is properly before OHA for decision.

II. Background

A. The RFP

The RFP states “[t]he Contractor shall provide all management and supervision, labor, and supplies necessary to perform all services necessary to support the Security and Emergency Management Staff [(SEMS)].” (RFP at 2.) More specifically, the solicitation requests assistance in the following areas with the associated estimated hours, totaling 78,624 hours:

Task Functional Areas	Estimated Hours
Lead Personnel Security Specialist	1,872
Personnel Security Specialist	35,568
Lead Adjudicator	1,872
Adjudicator	7,488
Lead Physical Security Specialist	1,872
Physical Security Specialist	9,360
Threat Management Specialist	1,872
Emergency Management Specialist	3,744
Occupational Safety and Health Specialist	1,872
Information Security Specialist	1,872
Budget Analyst / Procurement	1,872
HSPD-12 Program Support Specialist	5,616
Program Analyst (SC)	1,872
Program and Administrative Support (DC)	1,872

(RFP, Attach. 1 CLIN Price Template, Task Area LOE.) According to the RFP's Statement of Work (SOW), the “key personnel” are the Lead Personnel Security Specialist, Lead Adjudicator, Lead Physical Security Specialist, Threat Management Specialist, Emergency Management Specialist, and Occupational Safety and Health Specialist. (RFP, SOW, at 33-34.)

The SOW defines the duties of Personnel Security as:

2.2.1 Personnel Security

A. Provide Personnel Security support to the Executive Office for United States Attorneys (EOUSA) and to 94 United States Attorney's Offices (USAO) that encompasses an estimated 13,000 employees, students, and contractors. Support includes but is not limited to the following:

1. Receive, review, and assemble detailed security package for federal personnel security specialist to determination of suitability and fitness for employment.

2. Assist with security clearance requests, contractor waivers, initiating and resolving eAPP issues and/or questions, reviewing eAPP packages and other related pre-employment or re-investigative documents.

3. Provide administrative support to Personnel Security Specialists in completing actions in support of the Personnel Security mission.

4. Understand and interpret data retrieved from of PIPS/CVS, NCIC, or file share software and other personnel security related database [sic].

B. Receive, log, and/or review request for initial or updated personnel security documents to ensure proper procedural requirements have been satisfied prior to initiating background investigations of individuals who would occupy positions where a determination of suitability and fitness for employment is required.

C. Ensure that sensitive investigative data is handled and controlled in a secure fashion to protect and safeguard the rights of the individual Per DoD Manual 5200.02.

D. Provide a written report of data received from personnel security reports, records and investigative materials for review by federal personnel security specialist.

E. Assist federal personnel security specialist in the adjudication of background investigations for suitability and fitness for employment with the government.

1. Assist with the process of monitoring, tracking, reviewing, analyzing, adjudication, and compiling results of completed Background Investigations of government personnel and contract employees conducted by OPM, FBI, and other Federal investigative agencies and provide a recommendation for approval, disapproval, or referral for further investigation.

2. Assist with the evaluation of favorable and derogatory information.

3. Assist with the preparation of Letters of Interrogatory to resolve outstanding issues. Prepare a written report of findings and recommend the appropriate suitability/security determination.

4. Draft correspondence in the form of Letters of Interrogatory, Adjudicative Worksheets, Notice of Proposed Actions, and Summary Worksheets for second level review by federal personnel security specialists.

F. Assist in management of personnel security database; to include task such as create new cases for employment in JSTARS or personnel security related database in a timely manner with accuracy (not have more than three errors per month not to exceed three consecutive months).

G. Assist in updating JSTARS or personnel security related database by removal of personnel that are no longer working for the EOUSA or USAO, adding new contractor personnel, adding clearance information, etc.

H. Demonstrate oral and written communications skills to discuss analysis and prepare written communications setting forth analyses and recommendations.

I. Maintains various files and records to prepare routine and special reports and analysis of personnel security activities as requested by the EOUSA or USAO.

J. Assist in any other personnel security duties, special projects, as requested.

(RFP, SOW at 7-9.)

The RFP states that work is to be performed at “Government sites located throughout the fifty United States, the District of Columbia, and U.S. territories.” (RFP at 8.) However, the Contractor must be located within a reasonable commuting distance of Washington, D.C. (*Id.*) The contract will have a one-year period of performance with four one-year option periods. (*Id.* at 2.)

Offerors were instructed to submit four volumes of information with their proposals: Volume I — Administrative / Executive Summary, Volume II — Technical Proposal, Volume III — Past Performance, Volume VI — Price. (*Id.* at 74.) In evaluating proposals, the RFP explains that DOJ will first determine whether the offer receives a “PASS” for Volume I. (*Id.* at 84.) From there, DOJ will evaluate each subsequent volume. (*Id.*) Volume II will be evaluated using the following numerical score:

Numerical Scoring System	
Technical Evaluation Factor	Maximum Point Score
Management	35
Staffing	40
Phase In/Phase Out Plan	20
Quality Control Plan	5
TOTAL POSSIBLE SCORE	100

(*Id.* at 85.) The RFP further explains that “Technical is more important than Past Performance and, when combined, Technical and Past Performance are significantly more important Price.” (*Id.* at 90.)

Initial proposals originally were due June 5, 2025. (*Id.* at 81.) On June 2, 2025, the CO attached the Notice & Order for this appeal to the solicitation informing parties of this matter as required by 13 C.F.R. § 121.1103(c)(1)(i).

B. Appeal

On May 29, 2025, Appellant filed the instant appeal. Appellant challenges the CO's choice of NAICS code 561110 and contends that either NAICS code 541611 or 561611 is the correct classification for this procurement. (Appeal at 1-2.) In Appellant's view, the principal purpose of this procurement is not office administrative services, but rather “specialized security support, background investigation support, threat management and emergency management support.” (*Id.* at 1.)

The RFP seeks several “key positions” including Lead Personnel Security Specialist, Lead Adjudicator, Lead Physical Security Specialist, Threat Management Specialist, Emergency Management Specialist, and Occupational Safety and Health Specialist, none of which, Appellant argues, fall under NAICS code 561110. (*Id.*) Furthermore, Appellant highlights that DOJ previously solicited the same requirement under NAICS code 541690, Other Scientific and Technical Consulting Services, but awarded Appellant the contract under NAICS code 611699, All Other Miscellaneous Schools and Instruction. (*Id.* at 2.)

Appellant observes that, according to the *NAICS Manual*¹ and OHA precedent, NAICS code 561110 covers establishments “performing day-to-day services related to operating a business” and “intended for contracts requiring day-to-day office services similar to recordkeeping and physical distribution.” (*Id.* at 4-5, citing *NAICS Manual* at 485-86 and *NAICS Appeal of TDP Commc'n, Inc.*, SBA No. NAICS-6284, at 8 (2024).) Appellant concedes that administrative support services are included in the RFP's SOW, however, Appellant maintains that the procurement is not primarily for office administrative services. (*Id.* at 5.) Instead, Appellant contends that the work is, at its core, consulting services with the SOW seeking “primary support function for security related services to EOUSA and USAO” and to “develop innovative methods and procedures to provide EOUSA and USAOs with properly cleared personnel and to provide them with a safe and secure work environment.” (*Id.*, quoting RFP, SOW at 3.)

According to Appellant, DOJ wants to improve operations such as:

¹ Executive Office of the President, Office of Management and Budget, *North American Industry Classification System-United States* (2022), available at <http://www.census.gov>.
trative Judge

performing background investigations (Personnel Security positions); assessing an individual's loyalty, trustworthiness, and reliability and determine whether it is in the best interest of national security to grant the individual an eligibility for access to classified information or render a favorable suitability determination (Adjudication); providing consistent project management for numerous projects (Physical Security); assessing and providing countermeasures in response to reported threats against USAO personnel (Threat Management); providing training, technical assistance, and other support in the areas of continuity of operations, occupant emergency planning, and contingency planning (Emergency Management); providing a safe and healthy work environment (Occupational Safety and Health); providing guidance on the proper handling of sensitive information and National Security Information or classified information (Information Security); training and role assignment coordination and support for USAccess role-holders (HSPD-12 Support Office); providing a wide variety of support to the Security and Emergency Management Staff primarily administrative in nature (Program Analysis); and, providing a wide variety of support to the Security and Emergency Management Staffs, primarily administrative in nature (Administrative Assistance).

(*Id.*, citing RFP, SOW at 3-4.) Appellant contends that only two of these objectives, Program Analysis and Administrative Assistance, fall squarely under NAICS code 561110 and that these positions were not identified as key. (*Id.* at 5-6.)

Appellant highlights that the RFP's two highest weighted areas in the technical evaluation, Management Plan and Staffing Plan, were “to ensure that **Key Personnel Positions are identified in its corporate structure and that the lines of authority, responsibility, and communication and [sic.] clearly defined.**” (*Id.* at 6, quoting RFP at 85 (emphasis Appellant's).) Appellant also observes that the Technical evaluation was considered most important, Past Performance not as important, and Price to be significantly less important than Technical and Past Performance. (*Id.*) Appellant further notes that the highest portion of estimated hours for the procurement is for the non-key position of Personnel Security Specialist. (*Id.* at 7.) Based on the description of a Personnel Security Specialist, Appellant argues that NAICS code 561611 best fits this solicitation. (*Id.* at 9.)

To further support its position that NAICS code 561110 is improper for this procurement, Appellant provides the following breakdown of the estimated 78,624 hours of work:

Task Functional Areas	Key	Estimated Quantity	Percentage of Total
Lead Personnel Security Specialist	Key	1,872	2.4%
Personnel Security Specialist	Non-Key	35,568	45.2%
Lead Adjudicator	Key	1,872	2.4%
Adjudicator	Non-Key	7,488	9.5%

Lead Physical Security Specialist	Key	1,872	2.4%
Physical Security Specialist	Non-Key	9,360	11.9%
Threat Management Specialist	Key	1,872	2.4%
Emergency Management Specialist	Key	3,744	4.8%
Occupational Safety and Health Specialist	Key	1,872	2.4%
Information Security Specialist	Non-Key	1,872	2.4%
Budget Analyst / Procurement	Non-Key	1,872	2.4%
HSPD-12 Program Support Specialist	Non-Key	5,616	7.1%
Program Analyst (SC)	Non-Key	1,872	2.4%
Program and Administrative Support (DC)	Non-Key	1,872	2.4%

(*Id.* at 9-10.) Appellant reiterates that none of the key positions relate to administrative support positions. (*Id.* at 10.)

Appellant emphasizes that DOJ previously identified NAICS code 541690 as the appropriate code for the RFP's predecessor solicitation. (*Id.*) Appellant highlights that “security consulting services” and “safety consulting services” are listed as illustrative examples for this NAICS code. (*Id.* at 10-11.) Based on the SOW, Appellant agrees that NAICS code 541690 would also be an appropriate designation. (*Id.* at 11.) Appellant further notes that DOJ conducted a Request for Information where potential vendors' recommendations included NAICS codes 561611 and 541690 but did not include 561110. (*Id.*)

In sum, Appellant concludes that DOJ sought to manipulate the scope of competition to restrict Appellant's ability to compete. (*Id.*) According to the labor categories and pricing table, Appellant reasserts that NAICS code 561110 is not appropriate for the procurement and that the largest percentage of work would be classified as NAICS code 561611. (*Id.*) Appellant reiterates that the predecessor solicitation was issued under NAICS code 541690. As such, Appellant contends that the RFP should be designated under either NAICS code 561611 or 541690. (*Id.* at 11-12.)

C. Watermark's Response

On June 16, 2025, Watermark Risk Management International, LLC (Watermark), a potential offeror, submitted a response to the appeal. Watermark maintains that the CO selected the appropriate NAICS code for this procurement. (Watermark Response at 1.)

Watermark first cites several cases where OHA found NAICS code 561110 to be an appropriate designation for a variety of services:

- *NAICS Appeal of TDB Commc'n Inc.*, SBA No. NAICS-6284 (2024) (finding NAICS code 561110 appropriate for medical and dental nonclinical case management and administrative care coordinator staffing services);
- *NAICS Appeal of Gemini Tech Services, LLC*, SBA No. NAICS-6237 (2023) (finding NAICS code 561110 appropriate for intake of individuals seeking personnel services, issuing ID cards, performance of computer and printer maintenance, and generating casualty reports);
- *NAICS Appeal of Laredo Technical Services, Inc.*, SBA No. NAICS-6173 (2023) (finding NAICS code 561110 appropriate for tasks such as patient scheduling and general reception functions, scanning records and documents, and processing claims);
- *NAICS Appeal of Katmai North America, LLC*, SBA No. NAICS-6269 (2023) (finding NAICS code 561110 appropriate for work involved in the recruitment and retention of individuals for the Army National Guard);
- *NAICS Appeal of Eagle Design and Management, Inc.*, SBA No. NAICS-4521 (2002);
- *NAICS Appeal of Eagle Design and Management, Inc.*, SBA No. NAICS-4510 (2002) (finding NAICS code 561110 appropriate for a contract for handling inquiries and providing ancillary administrative services to an information clearinghouse for the National Institutes of Health);
- *NAICS Appeal of Panacea Consulting, Inc.*, SBA No. NAICS-4582 (2003) (finding NAICS code 561110 appropriate for handling application processing for the Employment and Training Administration of the Department of Labor);
- *NAICS Appeal of Information Ventures, Inc.*, SBA No. NAICS-4600 (2003) (finding NAICS code 561110 appropriate for administrative and management services for a Department of Health and Human Services clinical research program);
- *NAICS Appeal of AllSource Global Management, LLC*, SBA No. NAICS-5292 (2011) (finding NAICS code 561110 appropriate for administrative assistant services, word processing services, and record-keeping services in support of an agency whose mission was to provide healthcare to military personnel).

(*Id.* at 2.)

Watermark notes that the procurement is titled as “Administrative Support Services for the Executive Officer for the United States Attorneys (“EOUSA”) Security and Emergency Management Staff (“SEMS”D).’D’ (*Id.* at 3.) Watermark contends that the selected contractor’s principal purpose will be to support and assist SEMS in performing their duties. (*Id.*) The contractor’s specific duties, according to the solicitation, include: “assembling security packages; providing administrative support to personnel security specialists; receiving, logging, and/or requesting personnel security documents; providing written reports of data received from personnel security reports, records and investigative materials; assisting federal personnel security with the process of monitoring, tracking, and compiling results of background investigations; drafting correspondence; assisting in management and updating of a personnel security database; and maintaining various files and records.” (*Id.*, citing RFP at 7-9.) As such, Watermark argues that the solicitation requests administrative support and was thus properly assigned NAICS code 561110. (*Id.*)

Watermark rejects Appellant’s arguments, explaining first that Appellant conflates the solicitation’s requirements with the duties performed by the SEMS. (*Id.* at 4.) Rather, Watermark opines, the contractor will be providing administrative support and assistance to the SEMS. (*Id.*) Even though the Personnel Security Specialists account for the greatest number of hours, Watermark highlights that only the Lead Personnel Security Specialist is a key position whereas the other 19 Personnel Security Specialists are not. (*Id.*, citing RFP at 35.) The Personnel Security Specialists also do not need as high security clearance as some of the other positions but like those of the administrative support positions. (*Id.*)

The NAICS codes advocated by Appellant, according to Watermark, are not appropriate for this procurement. (*Id.*) Watermark contends that NAICS code 561611 would be appropriate for SEMS’ work but not for the instant solicitation to support SEMS. (*Id.*) NAICS code 541611, while similar to the selected NAICS code, Watermark argues that it is not appropriate because it covers consulting services which Watermark does not believe to be the principal purpose of the solicitation. (*Id.* at 5.)

D. CO’s Response

On June 16, 2025, the CO responded to the appeal. The CO defends her choice of NAICS code 561110 for this RFP.

The CO contends that *NAICS Appeal of TDB Commc’n Inc.*, SBA No. NAICS-6284 (2024) confirms that she selected the appropriate NAICS code for this procurement. (CO Response at 2.) The CO notes that the appellant in that case similarly argued that NAICS code 561110 is only appropriate for “mere record-keeping” and was inappropriate for the contested solicitation because the services requested were “substantive recommendations to Agency decision makers” concerning “part of the core business functions.” (*Id.*, quoting *TDB Commc’n*, NAICS-6284, at 3.) OHA, however, explained that NAICS code 561110 has regularly “been found to be the appropriate designation for procurements which call for the performance of a wide range of administrative services,” including “performing intake of individuals seeking personnel services, issuing ID cards, performance of computer and printer maintenance, and generating casualty reports.” (*Id.* at 3, quoting *TDB Commc’n*, NAICS-6284, at 8.) Even though

the requested services related to the procuring agency's core business functions, OHA found that the work was “primarily administrative in nature, requiring processing packets, reviewing packets, and entering/tracking patient information.” (*Id.*, quoting *TDB Commc’n*, NAICS-6284, at 9-10.)

Similarly, here, the CO argues, the contractor will be providing administrative services. (*Id.*) The CO rejects Appellant's contention that the Personnel Security positions include consulting, adjudication, or staffing. (*Id.*) Rather, the CO maintains that these individuals will “assist” federal personnel with administrative tasks including:

- “Provide administrative support to Personnel Security Specialists,”;
- “Receive, review, and assemble” security packages for federal adjudicators;
- “Assist with security clearance requests” and initiating and resolving eAPP (*i.e.*, an electronic application platform) issues and questions and reviewing eAPP packages and other documents;
- “Understand and interpret” data retrieved from various sources;
- “Receive, log, and/or review” requests for or updated personnel security documents to ensure proper procedural requirements have been satisfied prior to the initiation of background investigations;
- Ensuring that sensitive investigative data is handled and controlled securely per Department of Defense requirements;
- Provide a written report of data received “for review by a federal personnel security specialist”;
- “Assist federal personnel security specialist” by “[a]ssist[ing] with” the adjudication process, “[a]ssist[ing] with” the evaluation of favorable and derogatory information, and “[a]ssist[ing] with” the drafting of documents and correspondence for review by federal personnel security specialists.”;
- “Assist in” the management data in the existing databases and systems;
- “Maintain various files and records” to help prepare reports.

(*Id.* at 3-4, quoting RFP, SOW at 7-9 (emphasis CO's).) As such, based on the foregoing, the CO reiterates that the contractor will not assume substantive functions but rather will perform “simple, routine administrative tasks to support the federal personnel who do perform such functions.” (*Id.* at 4.) Furthermore, even though two tasks require the contractor to provide “recommendation” to federal security specialists, this does not mean that NAICS code 561110 is inappropriate for this RFP. (*Id.*, citing *NAICS Appeal of Katmai North Am., LLC*, SBA No. NAICS-6269, at 8 (2023).) Just as in *Katmai North Am.* where the contractor would “perform

administrative functions within an existing system that will not require consulting,” the CO asserts that the Personnel Security will do the same. (*Id.* at 5.)

The CO takes issue with Appellant's argument concerning the identified “key personnel.” (*Id.*) The CO explains that the key personnel “simply require a higher level of qualification and experience in order to better facilitate the management of the contractor personnel being sought for this solicitation.” (*Id.*) The CO argues that this distinction should have no bearing on the NAICS code designation. (*Id.*)

In conclusion, the CO reasserts that the contractor will be providing administrative services to support the EOUSA security programs. (*Id.*) This is evident, according to the CO, because “the contract is being sought to support federal personnel in their primary job functions” but “the solicitation does not require a contractor to assume those functions.” (*Id.*) The CO maintains that the tasks identified in the SOW confirm that the primary function of the contractor will be to handle administrative tasks. (*Id.*)

E. NAICS Manual Descriptions

The NAICS code designated by the CO, 561110, Office Administrative Services, covers:

[E]stablishments primarily engaged in providing a range of day-to-day office administrative services, such as financial planning; billing and recordkeeping; personnel; and physical distribution and logistics, for others on a contract or fee basis. These establishments do not provide operating staff to carry out the complete operations of a business.

NAICS Manual at 485-86. Index entries which refer to NAICS code 561110 include: “[a]dministrative management services”; “[b]usiness management services”; “[e]xecutive management services”; “[m]anagement services (except complete operation of client's business)”; “[o]ffice administration services”; and “[o]ffice management services.” *Id.* at 637, 675, 738, 809, and 832.

One NAICS code advocated by Appellant, 561611, Investigation and Personal Background Check Services, consists of:

[E]stablishments primarily engaged in providing investigation, detective, and personal background check services.

NAICS Manual at 497. Index entries which refer to NAICS code 561611 include: “[b]ackground check services”; “[b]ounty hunting services”; “[d]etective agencies”; “[f]ingerprint services”; “[i]nvestigation services”; “[i]nvestigators, private”; “[l]ie detection services”; “[m]issing person tracing services”; “[p]olygraph services”; “[p]rivate detective services”; “[p]rivate investigation services (except credit)”; and “[s]kip tracing services.” *NAICS Manual* at 654, 669, 718, 745, 790, 801, 819, 854, 862 and 897.

Another NAICS code advocated by Appellant, 541611, Administrative Management and General Management Consulting Services, covers:

[E]stablishments primarily engaged in providing operating advice and assistance to businesses and other organizations on administrative management issues, such as financial planning and budgeting, equity and asset management, records management, office planning, strategic and organizational planning, site selection, new business start-up, and business process improvement. This industry also includes establishments of general management consultants that provide a full range of administrative, human resource, marketing, process, physical distribution, logistics, or other management consulting services to clients.

NAICS Manual at 467. Index entries which refer to NAICS code 541611 include a variety of consulting fields, such as “[a]dministrative management consulting services,” “[b]usiness management consulting services,” “[f]inancial management consulting (except investment advice) services,” “[g]eneral management consulting services,” “[r]ecords management consulting services,” “[o]rganizational consulting services,” “[s]ite selection consulting services,” and “[s]trategic planning consulting services.” *Id.* at 637, 675, 744, 762, 872, 876, 896 and 910.

NAICS code 541611 is one of several codes within NAICS industry group 5416, Management, Scientific, and Technical Consulting Services, which consists of “establishments primarily engaged in providing advice and assistance to businesses and other organizations on management, environmental, scientific, and technical issues.” *Id.* at 466.

Another potentially relevant NAICS code within this industry, 541690, Other Scientific and Technical Consulting Services, consists of:

[E]stablishments primarily engaged in providing advice and assistance to businesses and other organizations on scientific and technical issues (except environmental).

NAICS Manual at 470. Index entries which refer to NAICS code 541690 include “[s]afety consulting services” and “[s]ecurity consulting services.” *Id.* at 882 and 889.

III. Discussion

A. Standard of Review

Appellant has the burden of proving, by a preponderance of the evidence, all elements of its appeal. Specifically, Appellant must show that the CO's NAICS code designation is based upon a clear error of fact or law. 13 C.F.R. § 134.314; *NAICS Appeal of Durodyne, Inc.*, SBA No. NAICS-4536, at 4 (2003). SBA regulations do not require the CO to select the perfect NAICS code. *NAICS Appeal of Evanhoe & Assocs., LLC*, SBA No. NAICS-5505, at 13 (2013). Rather, the CO must assign the NAICS code that best describes the principal purpose of the product or service being acquired in light of the industry descriptions in the *NAICS Manual*, the

description in the solicitation, the relative value and importance of the components of the procurement making up the end item being procured, and the function of the goods or services being acquired. 13 C.F.R. § 121.402(b); FAR 19.102(b)(1). Generally, when a procurement calls for qualitatively different types of products or services, the appropriate NAICS code is the one which represents “the greatest percentage of contract value.” 13 C.F.R. § 121.402(b)(2); *see also* FAR 19.102(b).

B. Analysis

Appellant has not carried its burden of proving that NAICS code 561110, Office Administrative Services, is clearly incorrect for the instant solicitation. I must therefore deny this appeal.

The *NAICS Manual* makes clear that NAICS code 561110 covers “[e]stablishments primarily engaged in providing a range of day-to-day office administrative services, such as financial planning; billing and recordkeeping; personnel; and physical distribution and logistics for others on a contract or fee basis.” Section II.E, *supra*. As highlighted by Watermark, NAICS code 561110 has been found to be the appropriate designation for procurements which call for the performance of a wide range of administrative services. *See* Section II.C, *supra*.

In the instant case, based upon the hours of work requested, the principal purpose of the contract is to obtain assistance with Personnel Security. Section II.A, *supra*. Of the estimated 78,624 work hours, almost 50% of the work will be performed by the Personnel Security Specialists. *Id.* The next highest work allocation will be performed by the Physical Security Specialists, but that amount is only 11.9% of the total hours. *Id.* As such, the NAICS code designation for this procurement turns on the proper classification for the Personnel Security Specialists. Section III.A, *supra*.

I agree with the CO and Watermark that the work to be performed by the Personnel Security Specialists is best described as administrative support services. The Personnel Security Specialists will “[r]eceive, review, and assemble detailed security package for federal personnel security specialist,” “[p]rovide administrative support to Personnel Security Specialists,” “[r]eceive, log, and/or review request for initial or updated personnel security documents,” “[e]nsure that sensitive investigative data is handled and controlled in a secure fashion,” “[p]rovide a written report of data received from personnel security reports, records and investigative materials,” “[a]ssist with the process of monitoring, tracking, reviewing, analyzing, adjudication, and compiling results of completed Background Investigations,” “[a]ssist with the preparation of Letters of Interrogatory to resolve outstanding issues,” “[a]ssist in management of personnel security database,” and “[m]aintains various files and records to prepare routine and special reports and analysis of personnel security activities.” Section II.A, *supra*. Appellant concedes that NAICS code 561110 is “intended for contracts requiring day-to-day office services similar to recordkeeping and physical distribution.” Section II.B, *supra*. That is exactly what the forgoing work entails.

Appellant asserts that the principal purpose of the procurement is “specialized security support, background investigation support, threat management and emergency management

support.” Section II.B, *supra*. However, as observed by the CO, the contractor here will provide administrative services in support of DOJ personnel performing those efforts. Section II.D, *supra*. The tasks required by this procurement are thus similar to those OHA has previously found covered by NAICS code 561110. For example, in *NAICS Appeal of TDB Commc'n Inc.*, OHA found that “the contractor will provide medical and dental non-clinical case management and administrative care coordinator staffing in support of” the procuring agency's employees. SBA No. NAICS-6284, at 8 (2024). In other words, the procurement “call[ed] for a wide range of administrative services, but not for the actual delivery of medical care [as argued by the appellant], and thus securely fits the 561110 description.” *Id.* at 9. The same could be said here — the SEMS will perform work that could be classified as NAICS code 561611, but the contractor will merely perform administrative services in support of the SEMS.

Appellant has the burden to show that the CO's NAICS code designation is based upon a clear error of fact or law, and because Appellant has not demonstrated that NAICS code 561110 is clearly incorrect for this procurement, OHA need not consider the NAICS code Appellant advocates, or other alternative codes. It is well-settled that “OHA will not assign a different NAICS code to a procurement unless the CO's choice of NAICS code is shown to be clearly erroneous.” *NAICS Appeal of Millennium Health & Fitness, Inc.*, SBA No. NAICS-6094, at 11 (2021) (quoting *NAICS Appeal of Dentrust Optimized Care Solutions*, SBA No. NAICS-5761, at 7 (2016)); *NAICS Appeal of Ascendant Program Servs., LLC*, SBA No. NAICS-5832, at 10 (2017).

IV. Conclusion

For the above reasons, I DENY the instant appeal. The CO appropriately selected NAICS code 561110, Office Administrative Services, with a corresponding \$12.5 million annual receipts size standard for this instant procurement. This is the final decision of the U.S. Small Business Administration. *See* 13 C.F.R. § 134.316(d); FAR 19.103(a)(7).

CHRISTOPHER HOLLEMAN
Administrative Judge