

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

NAICS Appeal of:

MissionAnalytics, LLC,

Appellant,

Re:

Solicitation No. 36C25725Q0329

U.S. Department of Veterans Affairs

SBA No. NAICS-6357

Decided: June 3, 2025

APPEARANCES

Mike Winters, President, MissionAnalytics, LLC, Falls Church, Virginia

Sherine Brooks, Contracting Officer, U.S. Department of Veterans Affairs,
San Antonio, Texas

DECISION

I. Introduction and Jurisdiction

On April 4, 2025, the U.S. Department of Veterans Affairs (VA) issued Request for Quotations (RFQ) No. 36C25725Q0329 for security cameras and equipment at VA Medical Centers in Texas. The Contracting Officer (CO) set aside the procurement entirely for Service-Disabled Veteran-Owned Small Businesses (SDVOSBs), and assigned North American Industry Classification System (NAICS) code 334220, Radio and Television Broadcasting and Wireless Communications Equipment Manufacturing, with a corresponding size standard of 1,250 employees. On April 29, 2025, the CO issued RFQ Amendment 0001, changing the assigned NAICS code to 561621, Security Systems Services (Except Locksmiths), with a corresponding size standard of \$25 million average annual receipts.

On May 9, 2025, MissionAnalytics, LLC (Appellant) filed the instant appeal with the U.S. Small Business Administration (SBA) Office of Hearings and Appeals (OHA). Appellant maintains that the CO clearly erred in utilizing NAICS code 561621 because the procurement is predominately for manufactured products. Appellant urges that the proper code is either 334220, or the Information Technology Value Added Resellers (ITVAR) exception to NAICS code 541519, Other Computer Related Services, with a corresponding size standard of 150 employees. For the reasons discussed *infra*, the appeal is granted.

OHA decides appeals of NAICS code designations 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 the issuance of Amendment 0001, which changed the assigned NAICS code, so the appeal is timely. 13 C.F.R. §§ 121.1103(b)(1), 134.304(b); Federal Acquisition Regulation (FAR) 19.103(a)(1). Accordingly, this matter is properly before OHA for decision.

II. Background

A. The RFQ

The RFQ's Statement of Work (SOW)¹ explains that VA seeks a contractor to “support[] the installation, maintenance, and minor repairs for the Central Texas security system with Brand name American Dynamics Illustra components including more than 200 cameras, access control doors, card readers, etc.” (RFQ, Amendment 0002, at 2.) More specifically, VA requests various quantities of the following items and equipment:

Part #	Description
IPS04-D14-OI04	American Dynamics Illustra Single lens camera
IPS08-P25-OI04	American Dynamics Illustra Pan Tilt Zoom Camera
IPR32-M13-OIA4	American Dynamics Illustra Quad lens camera
CS34P-XX color Purple	CAT6 plenum
920PHRNEK00004-110315	
Reader/921PHRNEK0032W Reader with Keypad	Card reader
4461030	Composite cable
43071104	18-4 cable
220109-100	18-6 cable
MG-250M/MG-500M/IMXDa-12/24	Mag locks
1500c-DLMS-630	Electrical strikes
DS150i	Request to exit motion
EEB2	Request to exit button
1076D-M	Door contact
iSTARULTRA GEN 2	4/8/16 door enclosure
GSTAR-GCM	Intelligent board
GSTAR-ACM	Expansion board
ADVER128R6N2K	128 TB NVR or comparable new model

¹ Citations are to a revised version of the SOW included with RFQ Amendment 0002.

ADVER06N0NP16G
IA-POE-90-U00
561846

6TB 16 Port NVR with POE Switch
POE Injector 90W
28 Port 10GIG POE+ Switch

(RFQ, Amendment 0003, at 2-4.) In addition, the contractor will perform “Installation/Emergency Calls” and “Technical Support.” (*Id.* at 4.) “Installation/Emergency Calls” work is to be separately priced, and “[t]he contractor will provide [a] quote to [VA] for approval before starting any installation.” (RFQ, Amendment 0002, at 7.) “Technical Support” will be provided telephonically. (*Id.* at 3.)

The SOW stipulates that “[t]he contractor must be able to perform full-service installation of a comprehensive security system, configure and set up all installed equipment, and comply with all applicable Federal, State, and Local Laws.” (*Id.*, at 2.) The contractor must be qualified by the manufacturer to repair the equipment. (*Id.* at 3.)

In a “Technical Questions” document published with Amendment 0001, VA addressed the following question from a prospective offeror:

Would the Government consider a solution or proposal that would allow the Government to have a full-time technician on site for 40 hours a week handling all service, maintenance and administration of the systems associated with this solicitation?

Answer: No, this is a supply contract with installation as needed.

(RFQ, Amendment 0001, Technical Questions #9.)

The RFQ explains that VA intends to award a single contract with a one-year period of performance. (RFQ, Amendment 0002, at 2.) There are three evaluation factors: (1) Technical Capability; (2) Past Performance; and (3) Price. (RFQ at 47.)

Offers are due June 6, 2025. (RFQ, Amendment 0006.)

B. Appeal

On May 9, 2025, Appellant filed the instant appeal. Appellant maintains that the RFQ is predominantly a procurement of manufactured products, and therefore should have been assigned a manufacturing or supplies NAICS code such that the nonmanufacturer rule would apply. (Appeal at 1.) Appellant argues that the proper designation is either NAICS code 334220, or the ITVAR exception to NAICS code 541519. (*Id.*)

Appellant highlights that RFQ's Contract Line Item Numbers (CLINs) “include 157 security cameras, 20 128TB NVRs, 60 or more entry control products, and associated support materials.” (*Id.* at 2.) Although there are also CLINs for installation and technical support, Appellant maintains that the supply items far outweigh the cost of the services. (*Id.*) Appellant posits that the CO may have selected NAICS code 561621 because that code encompasses

“installation” of alarm systems. (*Id.*) Appellant reiterates, however, that this is primarily an acquisition of manufactured products. (*Id.*) Appellant asserts that other similar procurements have utilized manufacturing or supplies NAICS codes, such as the codes advocated by Appellant. (*Id.*)

C. CO's Response

On May 22, 2025, the CO responded to the appeal, defending her choice of NAICS code 561621 for this procurement. The CO highlights that, according to the *NAICS Manual*,² NAICS code 561621 includes “**selling security alarm systems**, such as burglar and fire alarms, **along with installation, repair, or monitoring services.**” (Response at 1 (quoting *NAICS Manual* at 498 (emphasis added by CO)).) The CO contends that the RFQ's requirement of “installation, maintenance, and minor repairs for . . . more than 200 cameras, access control doors, card readers, etc.” fits this definition. (*Id.*) Conversely, the code advocated by Appellant only includes “**manufacturing radio and television broadcast and wireless communications equipment.**” (*Id.* (quoting *NAICS Manual* at 264) (emphasis added by CO)).) The CO asserts that the need for installation as well as repair supports the current designation. (*Id.*) The CO adds that at least three other similar procurements for the supply and installation of security cameras have been assigned NAICS code 561621. (*Id.* at 2.)

D. NAICS Manual

The NAICS code chosen by the CO, 561621, Security Systems Services (Except Locksmiths), comprises:

establishments primarily engaged in (1) selling security alarm systems, such as burglar and fire alarms, along with installation, repair, or monitoring services or (2) remote monitoring of electronic security alarm systems.

NAICS Manual at 498. Index entries which refer to NAICS code 561621 include “[a]larm system monitoring services”; “[a]larm systems sales combined with installation, repair, or monitoring services”; “[b]urglar alarm monitoring services”; “[b]urglar alarm sales combined with installation, repair, or monitoring services”; “[f]ire alarm monitoring services”; “[f]ire alarm sales combined with installation, repair, or monitoring services”; “[s]ecurity alarm systems sales combined with installation, repair, or monitoring services”; and “[s]ecurity system monitoring services.” *Id.* at 641, 674, 745, and 888.

One of the NAICS codes advocated by Appellant, 334220, Radio and Television Broadcasting and Wireless Communications Equipment Manufacturing, is comprised of:

establishments primarily engaged in manufacturing radio and television broadcast and wireless communications equipment. Examples of products made by these establishments are transmitting and receiving antennas, cable television equipment,

² Executive Office of the President, Office of Management and Budget, *North American Industry Classification System-United States* (2022), available at <http://www.census.gov>.

GPS equipment, pagers, cellular phones, mobile communications equipment, and radio and television studio and broadcasting equipment.

NAICS Manual at 264. Index entries that refer to NAICS code 334220 include “[c]able decoders manufacturing”; “[c]able television transmission and receiving equipment manufacturing”; “[c]ameras, television, manufacturing”; “[c]losed-circuit television equipment manufacturing”; and “[v]ideo cameras (except household-type) manufacturing.” *Id.* at 677, 678, 692, and 943.

The second NAICS code advocated by Appellant, 541519, Other Computer Related Services, consists of:

establishments primarily engaged in providing computer related services (except custom programming, systems integration design, and facilities management services). Establishments providing computer disaster recovery services or software installation services are included in this industry.

NAICS Manual at 465. A footnote in SBA's size regulations discusses the ITVAR exception to this NAICS code. The footnote states:

NAICS code 541519—An Information Technology Value Added Reseller (ITVAR) provides a total solution to information technology acquisitions by providing multi-vendor hardware and software along with significant value added services. Significant value added services consist of, but are not limited to, configuration consulting and design, systems integration, installation of multi-vendor computer equipment, customization of hardware or software, training, product technical support, maintenance, and end user support. For purposes of Government procurement, an information technology procurement classified under this exception and 150-employee size standard must consist of at least 15% and not more than 50% of value added services, as measured by the total contract price. In addition, the offeror must comply with the manufacturing performance requirements, or comply with the non-manufacturer rule by supplying the products of small business concerns, unless SBA has issued a class or contract specific waiver of the non-manufacturer rule. If the contract consists of less than 15% of value added services, then it must be classified under a NAICS manufacturing industry. If the contract consists of more than 50% of value added services, then it must be classified under the NAICS industry that best describes the predominate service of the procurement.

13 C.F.R. § 121.201, n.18.

NAICS code 334290, Other Communications Equipment Manufacturing, is comprised of:

establishments primarily engaged in manufacturing communications equipment (except telephone apparatus, radio and television broadcast equipment, and wireless communications equipment).

NAICS Manual at 264. Index entries which refer to NAICS code 334290 include “[a]larm systems and equipment manufacturing”; “[a]larm system central monitoring equipment manufacturing”; “[a]utomotive theft alarm systems manufacturing”; “[b]urglar alarm systems and equipment manufacturing”; “[c]arbon monoxide detectors manufacturing”; “[f]ire detection and alarm systems manufacturing”; “[g]lass breakage detection and signaling devices”; “[m]otion detectors, security system, manufacturing”; “[p]ortable intrusion detection and signaling devices manufacturing”; “[s]irens (e.g., air raid, industrial, marine, vehicle) manufacturing”; and “[s]moke detectors manufacturing.” *Id.* at 641, 653, 674, 681, 745, 763, 822, 855, 896, and 898.

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 14 (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). Furthermore, “[a]cquisitions for supplies must be classified under the appropriate manufacturing or supply NAICS code, not under a Wholesale Trade or Retail Trade NAICS code.” 13 C.F.R. § 121.402(b)(2).

B. Analysis

I agree with Appellant that the CO clearly erred in assigning NAICS code 561621, Security Systems Services (Except Locksmiths), to this procurement. A review of the RFQ confirms that the instant procurement is, fundamentally, for the supply of manufactured products — security cameras and other associated equipment. The RFQ thus sets forth a detailed list of 20 types of required equipment, including exact quantities and part numbers. Section II.A, *supra*. Although the RFQ also includes two services CLINs — “Installation/Emergency Calls” and “Technical Support” — these appear to be minor aspects of the overall procurement. The volume of any “Installation/ Emergency Calls” work is unknown, as the RFQ states that such work is separately priced and “[t]he contractor will provide [a] quote to [VA] for approval before starting any installation.” *Id.* Meanwhile, “Technical Support” is provided via telephone and upon request. *Id.*

OHA has long held that “the mere fact that a procurement calls for incidental or ancillary services does not justify classifying the procurement based upon the ancillary services even if those services are necessary to the procurement.” *NAICS Appeal of MissionAnalytics, LLC*, SBA No. NAICS-6320, at 6 (2024) (quoting *NAICS Appeal of Noble Supply & Logistics*, SBA No. NAICS-5886, at 9 (2018)). Similarly, OHA has held that, when the principal purpose of a procurement is the supply of goods, a manufacturing NAICS code is utilized. *E.g.*, *NAICS Appeal of Cynergy Profl Sys., LLC*, SBA No. NAICS-6286 (2024); *Noble Supply*, SBA No. NAICS-5886, at 9-10; *NAICS Appeal of U.S. Small Bus. Admin.*, SBA No. NAICS-5526 (2014). As Appellant emphasizes in its appeal, NAICS code 561621 is a services NAICS code, not a manufacturing or supply NAICS code. Sections II.B and II.D, *supra*. I therefore agree with Appellant that NAICS code 561621 is clearly improper for this RFQ.

In response to the appeal, the CO observes that, according to the *NAICS Manual*, NAICS code 561621 applies when a contractor is engaged in “selling security alarm systems, such as burglar and fire alarms, along with installation, repair, or monitoring services.” Section II.C, *supra*. This argument is unpersuasive for two reasons. First, it does not appear that VA is acquiring an entire “security alarm system” through this procurement. Rather, the RFQ sets forth a detailed list of cameras and other manufactured products that the contractor must furnish, and such equipment apparently will be incorporated into pre-existing security systems at multiple VA facilities. Section II.A, *supra*. Second, SBA regulations require that all procurements must be assigned the NAICS code that corresponds with the “principal purpose” of the acquisition, and further require that “[a]cquisitions for supplies must be classified under the appropriate manufacturing or supply NAICS code.” Section III.A, *supra*. In the instant case, then, the mere fact that the RFQ may potentially include installation of equipment does not convert this procurement into primarily an acquisition of “services.” *See, e.g., Cynergy*, SBA No. NAICS-6286, at 10 (rejecting similar argument for procurement of manufactured devices for weapons detection).

Because Appellant has established that the CO erred in selecting NAICS code 561621, OHA must assign the NAICS code that best describes the principal purpose of the products or services being acquired. Section III.A, *supra*. In making this decision, OHA will consider, but is not limited to, the NAICS codes recommended by the parties. *E.g., NAICS Appeal of Active Deployment Sys., Inc.*, SBA No. NAICS-5712 (2016) (selecting a code not advocated by any litigant).

Having reviewed the arguments of the parties, the RFQ, and the definitions in the *NAICS Manual*, I find that NAICS code 334220, Radio and Television Broadcasting and Wireless Communications Equipment Manufacturing, best describes the principal purpose of this procurement. NAICS code 334220 specifically encompasses “[c]ameras, television, manufacturing,” “[c]losed-circuit television equipment manufacturing,” and “[v]ideo cameras (except household-type) manufacturing.” Section II.D, *supra*. The security cameras which comprise the bulk of the procurement would be classified under this NAICS code. The procurement of entire security systems, such as burglar alarms and smoke alarms, are classified under NAICS code 334290, Other Communications Equipment Manufacturing. *Id.* As discussed above, though, it is not evident that VA here is acquiring an entire security system. Moreover, the *NAICS Manual's* description of NAICS code 334290 specifically excludes television

equipment. *Id.* Accordingly, NAICS code 334290 is less suitable for this procurement than NAICS code 334220.

IV. Conclusion

Appellant has shown that the CO clearly erred in assigning NAICS code 561621 to this procurement, and the appeal is GRANTED. The RFQ does not call predominately call for security system services but rather the procurement of cameras and related components. The correct NAICS code for this RFQ is 334220, Radio and Television Broadcasting and Wireless Communications Equipment Manufacturing, with an associated size standard of 1,250 employees. The CO MUST amend the RFQ to change the NAICS code designation from 561621 to 334220. 13 C.F.R. § 134.318(b); FAR 19.103(a)(7); *Eagle Home Med. Corp.*, B-402387, March 29, 2010, 2010 CPD ¶ 82. This is the final decision of the Small Business Administration. *See* 13 C.F.R. § 134.316(d).

KENNETH M. HYDE
Administrative Judge