

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

NAICS Appeal of:

Tribal Providers,

Appellant,

Solicitation No. 36C25626Q0022

U.S. Department of Veterans Affairs

SBA No. NAICS-6378

Decided: February 4, 2026

APPEARANCES

Johua Wiltgen, Manager, Sioux City, IA, for Tribal Providers

Lucas T. Hanback, Esq., Jules L. Szanton, Esq., Rogers Joseph O'Donnell, Washington D.C., for Valor Network, Inc.

Antonio R. Franco, Esq., Jacqueline K. Unger, Esq., Kelly A. Kirchgasser, Esq., Kristine E. Crallé, Esq., PilieroMazza PLLC, Washington D.C., for VetMed Group LLC

DECISION

I. **Introduction and Jurisdiction**

On December 1, 2025, the Department of Veterans Affairs (VA) issued Request for Quotations (RFQ) No. 36C25626Q0022 for Teleradiology Services. The Contracting Officer (CO) set aside the procurement entirely for Service-Disabled Veteran Owned Small Businesses, and assigned North American Industry Classification System (NAICS) code 621512, Diagnostic Imaging Centers, with a corresponding \$19 million annual receipts size standard, as the appropriate code.

On December 11, 2025, Tribal Providers (Appellant) filed the instant appeal, contending that the CO clearly erred in selecting NAICS code 621512, and that the correct NAICS code for the procurement is 621111, Offices of Physicians (except Mental Health Specialists), with a corresponding \$16 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. 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 RFQ

The RFQ states that the purpose of the procurement is to obtain “TeleRadiology Services” in support of the Veterans Health Care System of the Ozarks (VHSO) in Fayetteville, Arkansas. The RFQ contemplates award of a firm-fixed-price IDIQ contract with a one-year period of performance, a \$3,100,000 ceiling, and a \$1,000 guaranteed minimum. The price schedule consists of 5 CLINs for X-Ray Readings, Ultrasound Readings, Computed Tomography Readings, CT Angiography Readings, Magnetic Resonance Imaging Readings, and an additional CLIN for technology setup/connection/troubleshooting. (Solicitation, at 15-17.) Each CLIN designates NAICS 621512 and PSC Q522. The Performance Work Statement states VHSO suffers from “physician personnel shortages in the Radiology Clinical Services” and therefore needs assistance providing “preliminary and final radiology interpretation for exams performed during both business hours . . . and after hours/weekends/holidays.”

The Contractor shall provide professional Teleradiology Clinical services for radiology examinations performed throughout the VHSO. Radiology services are available at five VHSO sites (Fayetteville AR, Fort Smith AR, Harrison AR, Springfield MO, Branson MO and Joplin MO.) Contract services will include off-campus film interpretation via network connection to the VA informatics system. Interpretation will include immediate communications of results both when an interpretation is requested stat or with a critical emergent test result. Contractor must be a U.S. based corporation capable of final interpretation and reporting services via the Contractor's secure Teleradiology network. Interpretation services will be conducted by board certified or Board Eligible Radiologists. Contractor shall provide all professional personnel and technical support, medical and other equipment, telecommunication, supplies, and supervision necessary to perform, implement and administer these teleradiology clinical services to meet the specific medical needs of the VHSO. The Contractor is responsible for all Contractor personnel, subcontractors, agents, and anyone acting for or on behalf of the Contractor. Services provided under the contract are not to be performed outside of the United States.

(PWS, at 18.)

The Contractor will provide Board Certified (or Board Eligible) TeleRadiology Physician Services off-site at the Contractor's location. (PWS, §§ 1.1, 1.2.) The Contractor will provide competent, qualified, trained contract physicians. Contractor is also responsible for providing qualified personnel to read films. (PWS § 3.4.1.) The contractor will supervise the daily services

provided by its staff. (PWS, § 4.1) The contract physicians' care shall cover all interpretation services as would be provided in a state of the art civilian medical treatment facility, meeting national standards. (*Id.*)

The Contractor will secure and maintain the communications link between the contractor's facility and the VAMCs' facilities at the contractor's expense. (PWS § 3.4.4.1.) The Contractor must maintain a Teleradiology system that is reliable and functional to prevent any disruption in the delivery of services. Data transmission security must be maintained at all times. (PWS, § 4.5.5.1.) The Contractor shall provide board certified or Board Eligible Radiologists to perform final teleradiology Interpretation services. Examination images captured by VA medical centers will be transmitted to the contractor using the DICOM protocol and the Federal Information Processing Standard (FIPS) compliant encryption. Upon receipt of captured image and patient information from a VA facility, the Contractor shall provide an interpretation. (PWS, § 4.5.3.)

B. The Appeal

On December 11, 2025, Appellant filed the instant appeal. Appellant challenges the CO's choice of NAICS code 621512 and contends that NAICS code 621111 is the correct classification for this procurement. (Appeal at 1.) In Appellant's view, the principal purpose of this procurement is to perform professional physician services and provide radiological interpretations; therefore, "Offices of Physicians" is the correct code. (*Id.*)

Appellant notes the PWS requires the Contractor to provide professional Teleradiology Clinical services for radiology examinations performed throughout the VHSO. (*Id.*, at 2.) Contract services required will include off-campus film interpretation via network connection to the VA informatics system. Interpretation services will be conducted by board certified or Board Eligible Radiologists. (*Id.*)

Appellant further notes the RFQ will require the Contractor to provide Board Certified (or Board Eligible) TeleRadiology Physician Services. (*Id.* citing § 1.1 of RFP.) The RFQ provided that the images are generated at VA facilities, not by the Contractor. Examination images captured by VA medical centers will be transmitted to the Contractor using DICOM; upon receipt the Contractor shall provide an interpretation and complete dictated report. The PWS provides the VA shall make provisions for the proper maintenance and functioning of all government furnished imaging, teleradiology and associated equipment. Appellant notes the RFQ requires the VA to use qualified personnel (registered radiologic technologists or residents) to operate equipment necessary to produce adequate films for interpretation. (*Id.*)

Appellant argues the principal purpose of this procurement is physician interpretation services, not imaging center operations. The value of the contract is the ongoing provision of radiologist interpretations, not image production. The PWS describes the work as "professional Teleradiology Clinical services" and "Teleradiology Physician Services," emphasizing radiologist interpretations of examinations performed at VHSO facilities. The major CLINs are priced per reading (X ray, ultrasound, CT, CTA, MRI). (*Id.*, at 3.)

Appellant emphasizes that the VA's own employees and equipment are responsible for producing images, and the Contractor's sole clinical task is interpretation and dictation. The images will be captured by VA medical centers and transmitted to the Contractor. VA will provide and maintain imaging equipment and use its own technologists to operate it. Appellant argues therefore that the principal purpose of this contract is the professional practice of medicine by radiologists — reviewing images, rendering diagnoses and communicating results. It is not the operation of a diagnostic imaging facility. (*Id.*)

Appellant notes that NAICS code 621111 covers establishments of medical practitioners primarily engaged in the independent practice of general or specialized medicine or surgery operating in their own offices or in others' facilities. The NAICS index specifically lists Radiologists' offices in NAICS code 621111. Appellant asserts that it and many other teleradiology practices operate in just this way - as physician groups whose radiologists interpret studies (often remotely) on referral from hospitals and clinics. Appellant asserts that teleradiology practices like Specialty Teleradiology, Epic Teleradiology and All-American Teleradiology are classified under NAICS code 621111. Appellant argues that NAICS code 621512, in contrast, is for diagnostic imaging centers primarily engaged in producing images of the patient, such as CT-scan centers, radiological laboratories, MRI centers, and ultrasound imaging centers. (*Id.*)

Appellant argues NAICS code 621512 presupposes a concern which will own and operate the imaging equipment and employ the technologists who will perform the scans. VA is not acquiring this here, rather it will use its own imaging equipment, and its personnel will perform the technological duties. Here, VA is acquiring downstream interpretations by physicians. The work here aligns with radiologists' offices, and NAICS code 621111 thus best describes the principal purpose of the procurement. (*Id.*, at 4.)

Appellant maintains OHA precedent supports classifying professional medical services under office-of-practitioner codes, not a broader facility code. In *NAICS Appeal of Med-National, Inc.*, SBA No. NAICS-4762 (2006), OHA found a procurement for dental services was inappropriately classified under hospitals and should be classified under NAICS code 621210 — Offices of Dentists. In *NAICS Appeal of Prime Physicians*, SBA No. SIZ-6185 (2023), OHA rejected the use of the hospital NAICS code for medical staffing services, and instead selected NAICS code 621111 - Offices of Physicians. Where the work is the practice of medicine by licensed physicians or other clinicians, the correct NAICS code is the practitioner office code, even if the services are performed in or for government-owned facilities. (*Id.*)

Appellant further argues VA's own practice supports the use of NAICS code 621111, and points to a number of other procurements for medical services. Appellant further argues policy considerations support the use of NAICS code 621111, because the designation of NAICS code 621512 would tilt the competition towards larger concerns. (*Id.*)

C. Responses to the Appeal

On January 23, 2026, VetMed Group, LLC (VM), responded to the appeal. VM characterizes the procurement as one for Teleradiology services. The VA Teleradiology

Handbook defines Teleradiology as “the electronic transfer of radiologic or nuclear medicine images from one site to another for the purposes of interpretation or consultation.” “Successful teleradiology requires the coordinated efforts of many people, including physicians, radiology technologists, clerks, teleradiologists, transcriptionists, engineers, and computer specialists, working at remote sites.” (VM Response at 2, citing Solicitation, Attachment D6 at 5, 14.) Teleradiology also involves complex technology, including electronic medical records and computer networks. (*Id.*)

The Solicitation includes six Contract Line Item numbers (CLINs). CLINs 0001 through 0005 are for various radiology interpretation services: X-Ray, Ultrasound, Computed Tomography, CT Angiography, and Magnetic Resonance Imaging Readings (*Id.*, citing Solicitation at 7-8.) The final CLIN, 0006, addresses the technical services aspect, Technology Set up, Implementation, Connection and Troubleshooting. (*Id.* at 8.)

VM noted Appellant argues the principal purpose of the procurement is to obtain physician interpretation services, not imaging operations. VM argues it is a misplaced assumption to state that principal purpose of this procurement is simply staffing radiologists. VM asserts Appellant ignores the critical operational and IT infrastructure components of teleradiology that distinguish this procurement from physicians' offices. VA is not seeking radiologist staff, it is acquiring a fully integrated teleradiology diagnostic imaging workflow service and IT infrastructure to securely receive, view, and store high quality images off-site, interpret those images, and secure transmission of the interpretation back to the VA. This falls squarely under NAICS code 621512. (*Id.*, at 7.)

Appellant asserts NAICS code 621512 is classified under 6215 and 62151, Medical and Diagnostic Laboratories, which comprises establishments primarily engaged in providing analytic or diagnostic services. (*Id.*, citing *NAICS Manual*¹ at 526.) NAICS code 621111 covers physicians' offices and this procurement involves diagnostic imaging operations rather than physician office work. These practitioners operate private or group practices in their own offices, or those of others or hospitals. (*Id.*, at 8.)

This procurement involves diagnostic imaging operations rather than physician office work. While the Contractor is not required to perform the initial raw image capture, it covers all the other steps needed to convert that raw image into a clinically usable diagnostic product. This includes radiologists' efforts using specialized systems for post-processing, manipulation annotation, reconstruction and creation of a final diagnostic product. (*Id.*)

VM maintains the PWS itself demonstrates the character of the services sought is diagnostic imaging operations, not physician's office work. It includes complex technological components typical of diagnostic imaging services, PACS hosting, management, and uptime; secure ingestion of images from multiple modalities and facilities; DICOM normalization and routing; HL7FHIR3 integration; structured reporting platforms, secure data transfer, encryption, and archive retention. The PWS explicitly requires technical support, equipment provisioning, telecom management and workflow administration in addition to radiologists, activities aligned with imaging center operations. (*Id.*, at 10, citing Solicitation, at 9.) The Contractor is to provide

¹ <https://www.cnn.com/2026/02/10/us/video/ai-expert-nancy-guthrie-abductor-identification-vrct-digvid>

all professional personnel and technical support, medical and other equipment, telecommunication, supplies and supervision necessary to perform the teleradiology clinical services. The Contractor must operate and maintain a full technical platform, not simply provide physician labor. (*Id.*, PWS § 4.5.5.) Examination images will be transmitted to the Contractor using DICOM protocol and FIPS-compliant encryption. PWS, §§ 4.5.4, 4.5.3. The Contractor will secure and maintain the communications link between its facility and the VMAC's facilities at the Contractor's expense. PWS, § 3.4.4. Clinical staff is to be available by phone and pager 24/7. PWS, § 3.4.2.

VM adds the CLIN 0006, “Technology Set Up/Implementation/Connection and Troubleshooting” confirms the procurement includes technical services and system implementation, going beyond a simple staffing solution. VM maintains a substantial portion of the contract value is attributable to ongoing system operation, security, and compliance and support functions that exist independently of physician compensation, including:

- PACS licensing, hosting, redundancy, and maintenance
- Secure network architecture and encryption systems
- HL7/DICOM integration and monitoring
- 24/7 technical and operational support
- Cybersecurity and privacy compliance infrastructure
- Credentialing, QA, and audit systems
- Disaster recovery and uptime continuity platforms
- Implementation, onboarding, and systems engineering

(VM Response, at 11.)

VM maintains these are fixed and recurring operational costs which must be maintained and are integral to contract performance. This aligns with diagnostic imaging center operations where the Government acquires the complete interpreted image, as opposed to physician office practice where it is more common to provide direct patient care and establish ongoing treatment relationships, and bill per office visit. (*Id.*, Solicitation at 22-23, PWS, § 4.5.)

VM further argues that the NAICS appeals Appellant relies upon are inapposite here. Those cases concerned procurements for patient-facing medical staffing services which were assigned NAICS code 622110, General Medical and Surgical Hospitals, which was found inappropriate because the Government was not seeking to procure a hospital. Here, the VA is seeking the teleradiology services that a diagnostic imaging center would provide, not patient-facing physician staffing services. (*Id.*, at 12.)

VM further asserts that teleradiology services are more often designated under NAICS code 621512 than 621111. VM further denies policy and competition considerations favor using NAICS code 621111.

On January 21, 2026, Valor Network, Inc. (VNI) responded to the appeal. VNI argues Appellant's appeal is based upon a fundamental misunderstanding of how a clinically useful medical image is produced. While it begins with the technician's scan, it continues with a

radiologist who annotates the and labels the image. Because radiologists play a crucial role in producing images that can be used by clinicians and patients, they are primarily engaged in producing images of the patient. This is the criteria for NAICS code 621512. The *NAICS Manual* describes establishments covered by the code as “producing” medical images, not simply taking pictures. “Produce” has a meaning of “to oversee the making of” or “to compose, create or bring out by intellectual or physical effort.” In contrast, to “record” means “to register permanently by mechanical means” (VNI Response at 3, citing Merriam-Webster.) While the radiology technologist might record an image, the off-site radiologist — who adds relevant annotations and graphics to the image as part of a report to the referring physician — helps “produce” the final product VA seeks to purchase. VNI notes that among the *NAICS Manual*’s illustrative examples for NAICS code 621512 is “radiological laboratory services, medical.” (*Id.*, at 3-4.)

VNI argues the Solicitation's ordering procedure is consistent with NAICS code 621512. The VA will compensate the Contractor per image interpreted, not per hour of medical services provided. (*Id.*, at 4, citing Solicitation at 7-8.) This further supports the CO's designation, because NAICS code 621512 is for the provision of interpreted medical images. The definition refers to “diagnostic imaging centers primarily engaged in producing images of the patient.” NAICS code 621512 is for “producing images” - a specific deliverable, while NAICS code 621111 is for the “practice of general or specialized medicine,” a more general service. (*Id.*, at 4.)

VNI points out that the Contractor's compensation will be directly linked to “producing images.” The more interpreted images the Contractor provides, the more it will be compensated. The Contractor will not be compensated for practicing medicine. VNI argues this case is similar to *NAICS Appeal of SupplyCore, Inc.*, SBA No. SIZ-5866 (2017), where a NAICS code designation was approved based upon that portion of the procurement upon which the Contractor's compensation was based. (*Id.*, at 4-5.)

VNI further asserts that the radiologists will be physically remote from the place where the imaging is done is irrelevant. VNI cites OHA precedent: “[i]t is the character of the services themselves, not the location of their performance, which is decisive in making a NAICS code designation.” *NAICS Appeal of Med-National, Inc.*, SBA No. NAICS-4762 at 3 (2006).

VNI further argues the cases Appellant relies upon are inapposite. *NAICS Appeal of Prime Physicians*, SBA No. NAICS-6185 (2023) and *NAICS Appeal of Med-National, Inc.*, SBA No. NAICS-4762 (2006) both concerned procurements for the services of health care providers that were classified under NAICS code 622110, General Medical and Surgical Hospitals, which covers a wide range of medical services. OHA found that designation inappropriate. Here, the designated code calls for the producing of images, which is exactly what this procurement calls for. (*Id.*, at 5.)

D. *NAICS Manual* Descriptions

The NAICS code designated by the CO, 621512 Diagnostic Imaging Centers, covers:

[E]stablishments known as diagnostic imaging centers primarily engaged in producing images of the patient generally on referral from a health practitioner.

Illustrative Examples:

Computer tomography (CT-scan) centers
Medical radiological laboratories
Dental or medical X-ray laboratories
Ultrasound imaging centers
Magnetic resonance imaging (MRI) center

NAICS Manual at 527.

The *NAICS Manual* Index entries which refer to NAICS code 621512 include: CAT Scanner centers, CT-scan centers, Dental X-ray laboratories, Diagnostic Imaging Centers, X-ray laboratories, X-ray laboratory testing services, MRI Centers, Mammogram Centers, Medical radiological laboratories, Mobile Breast Imaging Centers, Mobile X-Ray Facilities, Ultrasound Imaging Centers. *NAICS Manual*, at 685, 701, 717, 719, 795, 796, 808, 809, 814, 819, 820, 936.

The NAICS code advocated by Appellant, 621111, Offices of Physicians (except Mental Health Specialists) consists of:

[E]stablishments of health practitioners having the degree of M.D. (Doctor of Medicine) or D.O. (Doctor of Osteopathic Medicine) primarily engaged in the independent practice of general or specialized medicine (except psychiatry or psychoanalysis) or surgery. These practitioners operate private or group practices in their own offices (e.g., centers, clinics) or in the facilities of others, such as hospitals or HMO medical centers.

NAICS Manual at 520.

The *NAICS Manual* Index entries which refer to NAICS code 621111 include: Acupuncturists Offices, Allergists' offices, Anesthesiologists' offices, Cardiologists' offices, Clinical pathologists' offices, Dermatologists' offices, Doctor of Osteopathic Medicine's office, Family physician's offices, Forensic pathologists' offices, Gastroenterologists offices, Gynecologists offices, Health Screening Services in Physicians' Office, Immunologists' offices, Internist's offices, MD's offices, Nephrologists' offices, Neurologists' offices, Obstetricians' offices, Oncologists' offices, and other physicians' offices. *NAICS Manual* at 636, 642, 644, 681, 692, 719, 724, 725, 740, 752, 761, 770, 774, 784, 789, 812, 814, 827, 831, 834, 770,

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

Having reviewed the RFP, the descriptions in the *NAICS Manual*, OHA's prior decisions, and the arguments of the parties, I conclude that the CO's designation is correct.

OHA has considered the NAICS code at issue here before. In *NAICS Appeal of Salvadorini Consulting, LLC*, SBA No. NAICS-6268 (2024) and *NAICS Appeal of Salvadorini Consulting, LLC*, SBA No. NAICS-6020 (2019), the procuring agency was acquiring imaging equipment, and the Appellant sought the 621512 code. However, OHA found that procurements for imaging equipment are not under 621512 code. Rather, the code is for health care services and does not apply to equipment.

In *NAICS Appeal of Laredo Technical Services, Inc.*, SBA No. NAICS-6216 (2023) the VA sought to procure radiology technologists, who would perform their services at VA facilities. VA designated NAICS code 561320, Temporary Help Services. However, OHA found 621512 was the appropriate code. The technologists were to perform the full range of radiology imaging care. It is the character of the services themselves, not the location of their performance, which is decisive in making a NAICS code designation. Even though the technologists would be performing their services at VA facilities with VA equipment, the fact that they would be providing the full range of radiology services was decisive in leading to a determination that 621512 was the correct code.

Here, the VA is seeking to procure Teleradiology services. The requirement is very similar to that in *Laredo*. VA is seeking radiologists to perform their services for VA. One difference is that these services will be performed remotely. VA equipment and technicians will take the actual images. These images will be transmitted electronically and interpreted by the Contractor's radiologist physicians. The physicians will add important annotations to the images the equipment takes, thus taking part in producing the final diagnostic image, which thus fits the description in the *NAICS Manual* for NAICS 621512 which describes this code as covering the production of images of patients. The Contractor will undertake technology set up, implementation, connection and troubleshooting to initiate performance of the contract. The requirements that the Contractor handle the electronic communication between VA and the radiologists puts the work to be performed here beyond that of physician's offices, and in the category of the imaging centers covered by NAICS code 621512. What the VA seeks to procure

here fits well into the category of Diagnostic Imaging Centers. The work will be performed remotely, using technology to bring the image of the patient to the radiologist for interpretation.

It is clear that this procurement comes under the category of Diagnostic Imaging Centers. Appellant's reliance upon *NAICS Appeal of Prime Physicians*, SBA No. NAICS-6185 (2023) and *NAICS Appeal of Med-National, Inc.*, SBA No. NAICS-4762 (2006) is misplaced. There, procurements for physicians' services were designated under the Hospitals NAICS code. The procurements were clearly not for the wide range of services provided by hospitals, but more specially for physician services. Here, the procurement is not for physician services generally, but for the very specific health services of producing diagnostic images.

I conclude Appellant has failed to demonstrate that NAICS code 621512 is clearly incorrect for this procurement. Because Appellant has not demonstrated that NAICS code 621512 is clearly incorrect for this procurement, OHA need not consider the NAICS codes 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

Appellant has failed to establish that the CO erred in selecting the NAICS code 621512, Diagnostic Imaging Centers, with a corresponding \$19 million annual receipts size standard, as the code for this procurement. Accordingly, I DENY the instant appeal and AFFIRM the CO's designation.

This is the final decision of the Small Business Administration. *See* 13 C.F.R. § 134.316(d).

CHRISTOPHER HOLLEMAN
Administrative Judge