

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

**SIZE APPEAL OF:**

Veteran Elevated Solutions, LLC,

Appellant,

Re: Pelican Residences, LLC

Appealed from  
Size Determination No. 03-2025-018

SBA No. SIZ-6376

Decided: January 27, 2026

**ORDER DECLARING PELICAN RESIDENCES, LLC INELIGIBLE FOR SUBJECT  
PROCUREMENT**

On January 10, 2025, the Small Business Administration (SBA), Office of Government Contracting — Area III (Area Office) issued Size Determination No. 03-2025-018, concluding that Pelican Residences, LLC (Pelican) was qualified as a small business under Department of the Air Force Solicitation No. FA480124Q0007. Veteran Elevated Solutions, LLC (Appellant or VES) timely appealed, alleging the Area Office committed clear error by failing to adequately investigate Pelican's alleged ostensible subcontractor relationship with Otis Elevator Company (Otis), under 13 C.F.R. § 121.103(h)(3).

On April 15, 2025, OHA issued *Size Appeal of Veteran Elevated Solutions, LLC*, SBA No. SIZ-6350 (2025) ("Veteran Elevated I"), which granted the appeal, vacated the above-referenced size determination and remanded the case to the Area Office for a new size determination consistent with the decision.

On January 14, 2026, VES filed a motion under 13 C.F.R. § 134.211. VES reports that as of this date, ***nine months later***, the Area Office has yet to issue the new size determination required by OHA's decision. In that motion, VES seeks an order compelling the Area Office to issue a new size determination by a specified date.<sup>1</sup> (Motion at 1). OHA retains jurisdiction to entertain this motion under 13 C.F.R. § 134.229.

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<sup>1</sup> VES reports it conferred with Pelican about this matter, who took no position on this motion.

Indeed, this delay is highly consequential because there is a possibility that Pelican — the concern ruled ineligible in *Veteran Elevated I* — is performing the contract.<sup>2</sup> VES argues this is contrary to the explicit command of the regulation that “a contracting officer shall not award a contract to a protested concern that the Area Office has determined is not an eligible small business for the procurement in question.” 13 C.F.R. § 121.1009(g)(2). Furthermore, the regulation further requires the Contracting Officer to terminate a contract if he or she receives a size determination finding the protested concern ineligible. *See* 13 C.F.R. § 121.1009(g)(2)(i) (“If a contracting officer receives such a determination after contract award, and no OHA appeal has been filed, the contracting officer shall terminate the award.”)

I find this matter raises serious concerns. In *Veteran Elevated I*, OHA found that the Area Office had made a serious error of fact in failing to correctly identify Pelican's subcontractor, and in failing to properly find that subcontractor, Otis Elevator, a large concern, was actually performing the primary and vital requirements of the contract. If Pelican is indeed currently performing the subject procurement because of the Area Office's failure to act in this matter, then the Area Office is facilitating performance by an ineligible entity, and undermining OHA's ruling in *Veteran Elevated I*. Moreover, the ordered task was a simple one, to simply implement OHA's clear instructions in *Veteran Elevated I* to issue a new size determination.

I issued an Order on January 16, 2026, that the Area Office either show cause as to why they did not comply with OHA's instructions in *Veteran Elevated I*, or otherwise to issue a size determination consistent with the decision. The deadline for the Area Office to perform either of these actions was January 26, 2026. The Area Office failed to comply with the terms of this Order.

Accordingly, I hereby declare the appealed concern, Pelican Residences LLC, to be INELIGIBLE for the subject procurement, and ORDER the Area Office to take action consistent with this decision. This is the final decision of the Small Business Administration. *See* 13 C.F.R. § 134.316(d).

CHRISTOPHER HOLLEMAN  
Administrative Judge

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<sup>2</sup> VES reports it has attempted to ascertain from the Contracting Officer and other sources whether Pelican Residences is currently performing the comprehensive elevator maintenance, repair, and inspection services at Holloman Air Force Base. It has received no response to its inquiries.