

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

NAICS APPEAL OF:

Tinoso, Inc.

Appellant

Solicitation No. N00244-25-R-0016  
U.S. Department of the Navy

SBA No. NAICS-6338

Decided: February 28, 2025

APPEARANCES

William M. Pannier, Esq., Pannier Law, P.C., Thousand Oaks, California, for Appellant.

Christine M. Jordan, Contracting Officer, U.S. Department of the Navy, San Diego, California.

DECISION

I. Introduction and Jurisdiction

On December 18, 2024, the U.S. Department of the Navy (Navy) issued Request for Proposals (RFP) No. N00244-25-R-0016 for “Divers Life Support System (DLSS) Routine Maintenance Service”. (RFP at 6.) The Contracting Officer (CO) set aside the procurement entirely for small businesses, and assigned North American Industry Classification System (NAICS) code 811310, Commercial and Industrial Machinery and Equipment (except Automotive and Electronic) Repair and Maintenance, with a corresponding size standard of \$12.5 million average annual receipts. (*Id.* at 1, 69.)

On December 27, 2024, Tinoso, Inc. (Appellant) filed the instant appeal, contending that the CO clearly erred in selecting NAICS code 811310, and that the correct NAICS code for the procurement is 541380, Testing Laboratories and Services, with an associated size standard of \$19 million average annual receipts. Appellant states that it is the incumbent on a predecessor contract for similar work, which also was assigned NAICS code 541380. For the reasons discussed *infra*, the appeal is GRANTED.

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 that the purpose of the procurement is to obtain maintenance and repair of DLSS equipment. (RFP at 6.) More specifically:

The objective of the [RFP] is to acquire [DLSS] Routine Maintenance Services. These services include maintenance, hydro testing, re-filling, and cleaning of high and low pressure piping, valves, flexible hoses, filters, moisture separators, volume tanks, compressed gas cylinders (Air, O<sub>2</sub>, and Mixed Gas), compressed gas flasks (Air, O<sub>2</sub>, and Mixed Gas); maintenance of Haskell oxygen booster pumps; maintenance of oxygen transfer pump assembly; maintenance of all compressors (Bauer models MVT-26, O-26 and C-D/DV/NAVY); [m]aintenance of VIPER UBA and test panel gages, relief valve and comparison accuracy testing or flowmeters and pocket flowmeter[,] and maintenance of Transportable Recompression Chambers to ensure that [the Navy's Explosive Ordnance Disposal Group One (EODGRU1)] diver life support equipment is safe and operational to support EODGRU1 and Navy Expeditionary Combat Command (NECC) missions.

(*Id.*)

The RFP identifies the following “Specific Requirements” that the contractor is “directly responsible to fully complete”:

3.1 Hydrostatic testing shall be accomplished by D.O.T. certified technicians capable of testing all types and sizes of cylinders using the water jacket method. EODGRU1 will need 100 hydrostatic tests during the period of performance.

3.1.2 All hydrostatic testing will have a 25-calendar day turnaround time upon contractor's receipt of gas flask or bottle.

3.1.3 Scheduled maintenance of the Haskell oxygen booster pumps manifold and the oxygen transfer pump assemblies shall be accomplished by a certified Haskell technician qualified on the MK23 MOD-0 and MOD-1 models.

3.1.4 Scheduled maintenance of the Transportable Recompression Chambers shall be accomplished by a certified technician knowledgeable of Navy Divers Life Support and ASME Pressure Vessels for Human Occupancy requirements.

3.1.5 Oxygen cleaning shall be performed in a Class 100,000 clean room with daily particle counting in accordance with MIL-STD1330D. 3.1.6 Evidence of NAVSEA QA Audit relative to US Navy Diving Systems.

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(*Id.* at 6-7.)

The RFP includes a table setting forth “a breakdown of the total estimated quantities” of parts and labor needed to perform the contract. (*Id.* at 7-15.) According to the table, the contractor’s responsibilities include: refilling compressed gas cylinders, with an accompanying “certificate of gas analysis”; fabricating and testing flexible hoses; calibrating oxygen outlet pressure gauges; testing oxygen transfer pump assembly relief valves; performing “Compressor Efficiency Test”; calibrating diver’s portable gauges; calibrating DLSS installed gauges; “Hydrostatically Test Fire Extinguisher”; “Test and Inspect ASRA Check Valve”; “Clean, Inspect and Test Standard Navy Double Lock (SNDL) HP Oxygen Reducing Station Piping and Valves”; performing valve seat tightness tests on primary and secondary oxygen supply valves; “Conduct[ing] Submersible Pressure Gauge Comparative Accuracy Test”; providing “current satisfactory air sample from diver’s air source”; “Perform Thermo-Plastic Diving Hose Hydrostatic Test”; “Calibrate and Inspect CO2 Analyzer, Analox CO2 Buddy Carbon Dioxide”; “Perform DOT 3.15 Carbon Fiber Flasks External and Internal Inspection, Hydrostatic Testing and Rupture Disc Replacement”; “Calibrate and Inspect Oxygen Analyzer, Analox Mini O2 DII”; and “Hydrostatically Test Hoses”. (*Id.*)

The RFP states that work is to be performed at the “Contractor’s facility and/or on-base EODESU 1 work site.” (*Id.* at 19.) The contract will have a one-year period of performance, and no option periods. (*Id.* at 5, 19.)

In evaluating proposals, the RFP explains that the Navy will establish “[a]n initial competitive pool of contractors” consisting of “the three (3) lowest priced offers”. (*Id.* at 73.) Offerors within the competitive pool are evaluated based on three evaluation factors: (1) Technical; (2) Past Performance; and (3) Price. (*Id.* at 73-76.)

Proposals originally were due January 3, 2025. On January 7, 2025, the CO issued RFP Amendment 0002, indefinitely suspending the deadline for receipt of offers “until OHA issues a decision [on the pending NAICS appeal as] required by 13 C.F.R. § 121.1103(c)(1)(i).” (RFP, Amendment 0002.) On January 23, 2025, the CO issued RFP Amendment 0003, establishing a new proposal deadline of January 31, 2025.

## B. The Appeal

On December 27, 2024, Appellant filed the instant appeal. Appellant challenges the CO's choice of NAICS code 811310, and contends that NAICS code 541380 is the correct classification for this procurement. (Appeal at 5.) In Appellant's view, the principal purpose of this procurement is not repair and maintenance of commercial and industrial machinery, but rather testing, calibration, and certification of DLSS equipment, tasks which align closely with NAICS code 541380. (*Id.*)

The RFP requires hydrostatic testing, calibration, air quality sampling, and precision certification services, none of which, Appellant argues, fall under NAICS code 811310. (*Id.* at 7-8.) Furthermore, NAICS code 811310 is particular to heavy machinery repair and does not cover highly-specialized analytical and compliance-based testing services such as those required in this solicitation. (*Id.* at 3.)

Appellant highlights that, according to the *NAICS Manual*<sup>1</sup>, NAICS code 811310 covers establishments primarily engaged in sharpening/installing commercial and industrial blades and saws; performing welding (e.g., automotive, general) repair services; or repairing agricultural and other heavy and industrial machinery and equipment (e.g., forklifts and other material handling equipment, machine tools, commercial refrigeration equipment, construction equipment, and mining machinery). (*Id.* at 7, citing *NAICS Manual* at 570.) The *NAICS Manual*, therefore, does not include analytical testing, calibration, or compliance verification within NAICS code 811310. (*Id.*) Appellant additionally highlights that DLSS equipment is not heavy industrial machinery, nor are the requirements in the RFP consistent with the "repair" and "maintenance" functions of NAICS code 811310. (*Id.*)

Conversely, Appellant argues, NAICS code 541380 best encompasses establishments engaged in performing physical, chemical, and other analytical testing services, including calibration, hydrostatic testing, and nondestructive testing:

This industry comprises establishments primarily engaged in performing physical, chemical, and other analytical testing services, such as acoustics or vibration testing, assaying, biological testing (except medical and veterinary), calibration testing, electrical and electronic testing, geotechnical testing, mechanical testing, nondestructive testing, or thermal testing. The testing may occur in a laboratory or on-site.

(*Id.* at 8-9, quoting *NAICS Manual* at 462.)

Appellant argues that the bulk of the tasks described in the RFP are consistent with NAICS code 541380, as they involve technical analysis and testing, rather than mechanical

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

repair. (*Id.* at 8-11.) Appellant points to several specific requirements that it believes fall under NAICS code 541380, including:

1. Hydrostatic Testing of Gas Cylinders and Flexible Hoses – The RFP requires DOT-certified hydrostatic testing using the water jacket method for approximately 100 cylinders per performance period. Appellant contends that such work is expressly listed in the *NAICS Manual* under NAICS code 541380 as a recognized testing service. (*Id.* at 9-10.)
2. Calibration of Gauges and Safety Valves – The RFP mandates high-precision calibration services to ensure DLSS functionality. Appellant observes that calibration laboratories and certification services are classified under NAICS code 541380, not under NAICS code 811310. (*Id.*)
3. Air Quality and Breathing Air Testing – The RFP requires semi-annual air sampling and efficiency tests to ensure compliance with strict military-grade safety standards. Appellant maintains that air quality analysis is a recognized function within NAICS code 541380 and cannot reasonably be construed as industrial machinery maintenance. (*Id.*)
4. Oxygen Cleaning in a Controlled Environment – The RFP specifies that oxygen cleaning must be conducted in a Class 100,000 cleanroom facility with NAVSEA QA audit compliance. According to Appellant, cleanroom testing and compliance auditing align with NAICS code 541380, which covers controlled laboratory environments and compliance testing. (*Id.* at 3, 11.)

Appellant further asserts that the majority of contract dollar value – which Appellant estimates at approximately 75% – aligns with NAICS code 541380. (*Id.* at 11.) Appellant offers that a detailed review of the estimated quantities and deliverables in the RFP, which in its view confirms that testing, certification, and compliance-related services dominate the scope of work, whereas maintenance and repair constitute a secondary function. (*Id.*)

[Appellant] estimates that roughly 25% of the services required to perform the Solicitation's requirements involve services for breathing air compressors, which are an integral part of the DLSS (safe air for divers to breathe begins with the proper maintenance and operation of these vital systems). As described herein, these services, including calibration of gauges, testing and calibration of relief valves, performing compressor efficiency tests, mechanical testing and inspections of high-pressure receivers, hydrostatic testing of hoses and receivers, and diver's air sampling analysis,

align to NAICS code 541380. Furthermore, the remaining services unrelated to breathing air compressors – approximately 75% of the solicited effort – involve testing services that squarely align to NAICS code 541380.

(*Id.*)

Appellant reiterates its view that NAICS code 541380 is the most applicable classification based on the definitions in the *NAICS Manual* and the RFP’s technical scope. (*Id.*) Conversely, the CO’s choice of NAICS code 811310 constitutes clear error of fact and law, as it fails to accurately capture the principal purpose of the procurement. The technical nature of hydrostatic testing, calibration, and certification services place the contract under NAICS code 541380, not under a general repair and maintenance classification. (*Id.*)

Appellant observes further that “much of the analytical testing, calibration, and hydrostatic testing required to fulfill the [RFP] requirement concerns [DLSS] systems, particularly the breathable air compressors that are critical to providing divers air to be consumed for breathing.” (*Id.* at 10.) Because “breathable air compressors are readily distinguishable from industrial air compressors,” there is “no rational basis for concluding that breathable air compressor services are covered by NAICS code 811310.” (*Id.*) More specifically, “[i]ndustrial air compressors are categorized into several types based on their design, operation, and application.” (*Id.*) Breathable air compressors, on the other hand, are specifically designed to purify compressed air to meet stringent safety and quality standards for human respiration. (*Id.*) Appellant maintains that breathable air compressors are “maintained” through inspection and testing, not repair. (*Id.*)

In sum, Appellant concludes, the principal purpose of the RFP is to acquire testing and maintenance of DLSS systems to ensure compliance with applicable standards and certification/mission requirements. (*Id.*) In light of “the industry descriptions in the [*NAICS Manual*], the descriptions of the work provided in the [RFP], the function of the services being acquired, and the fact that testing and maintenance of [DLSS] systems to ensure compliance with applicable standards and certification/mission requirements accounts for the predominance of contract value/costs, NAICS code 541380 is demonstrably the correct NAICS code for the [RFP].” (*Id.*)

### C. CO’s Response

On January 14, 2025, the CO responded to the appeal. The CO defends her choice of NAICS code 811310 for this RFP.

The CO contends that the purpose of the procurement is to obtain DLSS Routine Maintenance Services. (Response at 1.) More specifically, such work includes:

[M]aintenance, hydro testing, re-filling, and cleaning of high and low-pressure piping, valves, flexible hoses, filters, moisture separators, volume tanks, compressed gas cylinders (Air, O<sub>2</sub>, and

Mixed Gas), compressed gas flasks (Air, O<sub>2</sub>, and Mixed Gas); maintenance of Haskell oxygen booster pumps; maintenance of oxygen transfer pump assembly; maintenance of all compressors (Bauer models MVT-26, O-26 and C-D/DV/NAVY); and maintenance of Transportable Recompression Chamber to ensure that [DLSS] equipment is safe and operational to support EOD MDSCO and Navy Expeditionary Combat Command (NECC) missions.

*(Id.)*

The CO explains that she arrived at NAICS code 811310 for the instant RFP because she considered it the most pertinent code in NAICS subsector 811, Repair and Maintenance, which “encompasses all repair and maintenance”. *(Id.)* Within NAICS subsector 811, NAICS code 811310 covers establishments primarily engaged in the repair and maintenance of commercial and industrial machinery and equipment, such as forklifts, refrigeration units, construction equipment, and mining machinery. Although the *NAICS Manual* makes no mention of DLSS equipment under NAICS code 811310, portions of the DLSS equipment, in the CO’s view, are “of similar complexity” to machinery that falls within NAICS code 811310. *(Id.)*

According to the CO, alternative NAICS codes were considered but found to be less suitable for this procurement. NAICS code 811490, Other Personal and Household Goods Repair and Maintenance, falls within NAICS subsector 811 and includes the repair and maintenance of sporting goods. *(Id.)* Diving equipment may arguably be classified as a type of sporting equipment, but the CO deemed the technical complexity of DLSS maintenance work better suited to NAICS code 811310. *(Id. at 1-2.)*

Similarly, the NAICS code Appellant advocates, 541380, was considered and determined to be inapposite. *(Id. at 2.)* While the RFP does require hydrostatic testing and certification, these tasks, according to the CO, do not constitute the preponderance of the contract’s scope and dollar value. *(Id.)* Pursuant to FAR 19.102(b)(1), a procurement normally is assigned the NAICS code which corresponds to the greatest percentage of contract value, and “[i]n this case, the greatest percentage of the requirement is for maintenance and repair.” *(Id.)* The CO observes that the RFP “requires that the contractor provide gas cylinder refills, cylinder replacements, fabricate and test flexible hoses, provide valve overhaul, OTPA maintenance, Bauer O26-D maintenance, C-D/DV/Navy compressor maintenance, SNDL maintenance, FADS III maintenance, ORCA maintenance, and maintenance of the Closed-Circuit UBA Vipers, not just hydrostatic testing.” *(Id.)*

The CO acknowledges that the predecessor procurement for similar services was assigned NAICS code 541380; that earlier procurement is not controlling here, though, because the NAICS code was not challenged and reviewed by OHA. *(Id.)* Furthermore, according to the CO, other contracts for similar DLSS services have been classified under NAICS code 811310. *(Id.)*

The CO concludes that NAICS code 811310 is the best choice for this procurement. (*Id.*) According to the CO, this determination aligns with the regulatory requirement that a procurement be classified under the most applicable industry, and is supported by OHA case precedent, which recognizes that a CO need not select a “perfect” NAICS code. (*Id.*, citing *NAICS Appeal of Evanhoe & Assocs., LLC*, SBA No. NAICS-5505 (2013).)

#### D. NAICS Manual Descriptions

The NAICS code designated by the CO, 811310, Commercial and Industrial Machinery and Equipment (except Automotive and Electronic) Repair and Maintenance, covers:

[E]stablishments primarily engaged in the repair and maintenance of commercial and industrial machinery and equipment. Establishments in this industry either sharpen/install commercial and industrial machinery blades and saws or provide welding (e.g., automotive, general) repair services; or repair agricultural and other heavy and industrial machinery and equipment (e.g., forklifts and other material handling equipment, machine tools, commercial refrigeration equipment, construction equipment, and mining machinery).

*NAICS Manual* at 570. NAICS code 811310 is one of several industries within NAICS subsector 811, Repair and Maintenance. The *NAICS Manual* cautions that subsector 811 “does not include all establishments which do repair and maintenance.” *Id.* at 565.

Index entries which refer to NAICS code 811310 include: “[a]gricultural machinery and equipment repair and maintenance services”; “[b]lade sharpening, commercial and industrial machinery and equipment”; “[c]argo container repair and maintenance services”; “[c]ommercial and industrial machinery repair and maintenance services”; “[e]ngine repair (except automotive, small engine)”; “[f]orestry machinery and equipment repair and maintenance services”; “[h]eavy machinery and equipment repair and maintenance services”; “[m]achine tools repair and maintenance services”; “[m]echanical power transmission equipment repair and maintenance services”; “[m]ining machinery and equipment repair and maintenance services”; “[r]efrigeration equipment repair and maintenance services, industrial and commercial-type”; “[r]estaurant fryer equipment cleaning services”; “[t]extile machinery repair and maintenance services”; and “[w]elding repair services (e.g., automotive, general)”. *NAICS Manual* at 638, 664, 681, 698, 735, 752, 775, 807, 813, 819, 874, 877, 923, and 949.

The NAICS code advocated by Appellant, 541380, Testing Laboratories and Services, consists of:

[E]stablishments primarily engaged in performing physical, chemical, and other analytical testing services, such as acoustics or vibration testing, assaying, biological testing (except medical and veterinary), calibration testing, electrical and electronic testing, geotechnical testing, mechanical testing, nondestructive testing, or

thermal testing. The testing may occur in a laboratory or on-site.

*NAICS Manual* at 462.

Index entries which refer to NAICS code 541380 include: “[b]iological (except medical, veterinary) testing laboratories or services”; “[c]alibration and certification testing laboratories or services”; “[e]lectronic testing laboratories or services”; “[e]nvironmental testing laboratories or services”; “[h]ydrostatic testing laboratories or services”; “[l]aboratory testing (except medical, veterinary) services”; “[m]echanical testing laboratories or services”; “[n]ondestructive testing laboratories or services”; and “[p]roduct testing laboratories or services”. *NAICS Manual* at 663, 678, 733, 736, 783, 796, 813, 829, and 862.

### 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 agree with Appellant that the CO clearly erred in selecting NAICS code 811310 for this procurement. This appeal must therefore be granted.

As Appellant observes, the code chosen by the CO, 811310, Commercial and Industrial Machinery and Equipment (except Automotive and Electronic) Repair and Maintenance, is defined narrowly in the *NAICS Manual*. The *NAICS Manual* thus indicates that NAICS code 811310 applies only in three situations: (1) “sharpen[ing]/install[ing] commercial and industrial machinery blades and saws”; (2) “provid[ing] welding (e.g., automotive, general) repair services”; and (3) “repair[ing] agricultural and other heavy and industrial machinery and equipment (e.g., forklifts and other material handling equipment, machine tools, commercial refrigeration equipment, construction equipment, and mining machinery).” Section II.D, *supra*. OHA similarly has opined that “NAICS code 811310 is limited to installation, sharpening, or welding of commercial and industrial machinery blades; as well as repair of agricultural and

industrial machinery, such as machine tools, commercial refrigeration, and construction equipment.” *NAICS Appeal of Elevated Techs., Inc.*, SBA No. NAICS-6146, at 5 (2022). The RFP here, though, does not call for any work involving blades or saws, welding, or heavy machinery repair. Section II.A, *supra*. Rather, it is focused on the technical verification, testing, and maintenance of divers life support system (DLSS) equipment. *Id.* Accordingly, the CO clearly erred in selecting NAICS code 811310 for this procurement, as none of the three situations in which NAICS code 811310 applies is relevant to the work in question here.

In response to the appeal, the CO suggests that NAICS code 811310 is proper because the RFP includes routine maintenance activities, such as maintenance of Bauer compressors and oxygen booster pumps. Section II.C, *supra*. This argument is unpersuasive for two reasons.

First, as the CO herself acknowledges, DLSS components are not agricultural or industrial machinery, but rather are specialized breathing systems for Navy divers. Section II.C, *supra*. Although the CO asserts that portions of the DLSS equipment may be “of similar complexity” to agricultural or industrial machinery, this does not explain, or justify, the use of NAICS code 811310, a code which, as discussed above, is defined narrowly in the *NAICS Manual*.

Second, while it is true that the RFP does call for some efforts that may be construed as “routine maintenance”, the bulk of the RFP appears to be devoted to rigorous precision testing, compliance verification, calibration, and certification, not general maintenance. Section II.A, *supra*. On appeal, Appellant offers a detailed analysis purporting to show that testing and calibration constitute roughly 75% of contract dollar value, to which the CO provides no meaningful rebuttal. Sections II.B and II.C, *supra*. Appellant highlights in this regard that much of the testing and compliance necessitates the use of specialized facilities and certified personnel. *Id.* Furthermore, applicable regulations instruct that, in selecting a NAICS code, the relative importance of the items or services being procured must be considered. Section III.A, *supra*. Here, based on the RFP, precision testing and calibration of the DLSS equipment are the most substantive aspects of the procurement, and are critical to the health and safety of the Navy divers. Section II.A, *supra*. As such, the principal purpose of this procurement, and the bulk of the contract dollar value, aligns with NAICS code 541380, rather than with a maintenance and repair NAICS code. 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 Noble Supply & Logistics*, SBA No. NAICS-5886, at 9 (2018).

Because Appellant has established that the CO erred in selecting NAICS code 811310, 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).

I agree with Appellant that NAICS code 541380, Testing Laboratories and Services, best describes the principal purpose of this procurement. NAICS code 541380 encompasses a variety

of physical and analytical testing services, including “[h]ydrostatic testing”, “[m]echanical testing”, and “[p]roduct testing”, as well as “[c]alibration and certification”. Section II.D, *supra*. Furthermore, under NAICS code 541380, testing services may be accomplished either “in a laboratory or on-site”. *Id.*

In the instant case, the RFP details multiple requirements that involve precession testing, calibration, and certification of the DLSS equipment. Section II.A, *supra*. The RFP thus mandates hydrostatic testing of various life-support system components, stipulating that “[h]ydrostatic testing shall be accomplished by D.O.T. certified technicians capable of testing all types and sizes of cylinders using the water jacket method”, and adding that the Navy “will need 100 hydrostatic tests during the period of performance.” *Id.* Appellant highlights on appeal that fulfilling this requirement necessitates certified personnel, specialized testing facilities, and compliance with applicable standards and regulations. Section II.B, *supra*.

Similarly, the RFP requires calibration services for gauges and safety relief valves to ensure compliance with air compression parameters. Section II.A, *supra*. These tasks must be performed using high-accuracy instrumentation and must meet demanding military standards. *Id.* Furthermore, the RFP specifies that “oxygen cleaning shall be performed in a Class 100,000 clean room with daily particle counting in accordance with MIL-STD-1330D” and that “evidence of NAVSEA QA Audit relative to U.S. Navy Diving Systems is required.” *Id.* The need for a controlled cleanroom environment, compliance with military standards, and continuous quality assurance measures indicate a level of technical rigor and operational cost that aligns directly with NAICS code 541380, which encompasses laboratory and compliance testing.

The RFP also requires recurring air sampling and efficiency tests for breathable air compressors. Section II.A, *supra*. These activities, too, are explicitly covered under NAICS code 541380, which encompasses environmental, gas purity, and air quality testing services. Section II.D, *supra*.

#### IV. Conclusion

Appellant has shown that the CO clearly erred in selecting NAICS code 811310 for this procurement. The appropriate NAICS code for this RFP is 541380, Testing Laboratories and Services, with a corresponding size standard of \$19 million average annual receipts. Accordingly, the CO MUST amend the RFP to change the NAICS code designation from 811310 to 541380. 13 C.F.R. § 134.318(b); *Eagle Home Med. Corp.*, B-402387, March 29, 2010, 2010 CPD ¶ 82. This decision also will apply to future solicitations for the same supplies or services. This is the final decision of the Small Business Administration. *See* 13 C.F.R. § 134.316(d).

  
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KENNETH M. HYDE  
Administrative Judge