

What is A Small Business UXO Company ?

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Washington, D.C. Traditionally, large UXO/MMRP related contracts such as the USACE's MAMMS, WERS, and MEGA related contracts as well as Navy and Air Force UXO /MMRP contracts have utilized the "Environmental Remediation Services" category under NAICS code 562910 to set the small business size standard. Under the Environmental Remediation Services category, the small business size standard is set at 500 employees. This means that as long as a company has less than 500 employees, they are considered a Small Business and hence, able to compete for small business set asides.

Effective February 26, 2016, the Small Business Administration (SBA) announced a change to the NAICS code small business size standards. The new size standard for Environmental Remediation Services category under 562910 is 750 employees (i.e., a 50% increase over the current size standard). Does this help or hinder the UXO industry? The answer likely varies from one side or another depending upon what company or employee you ask.

The real question to consider is whether or not "UXO / MMRP" work - is a "Remediation Service" or an "Environmental Remediation Service". Who cares what the difference is? Well, the entire UXO industry should care because if you look into the 562910 NAICS code, you see that there are two categories listed - "Remediation Services" (the default category) and "Environmental Remediation Services". Currently, the default 562910 "Remediation Services" category has a small business size standard of \$19M (size standard based upon average annual revenue, irrespective of the number of employees) which is set to increase to a \$20M (i.e., a modest 5% increase).

A search on FEDBIZOPS under NAICS code 562910 yields some interesting finds including the following listed under "Remediation Services": Asbestos Abatement, Hazardous Materials, Under Ground Storage Tanks (USTs), Lead Based Paint, Mold, Trauma Scene Cleanup, and Waste Water Removal among others. One could ask the question - why are these contaminants / pollution categorized under Remediation Services but UXO falls under "Environmental Remediation". After all, asbestos, USTs, mold, and lead contaminants by default have an environmental component to them. DoD purposely separates Munitions Response funding from environmental remediation funding under the Defense Environmental Restoration Program (DERP) - i.e., MMRP vs IRP funding so why is UXO / MMRP work combined with environmental work when it comes to contracting.

The question we pose, therefore, is, "Why are UXO/MMRP services considered 'Environmental Remediation Services' and not 'Remediation Services' under the same NAICS code?" Irrespective of the answer, how does the SBA rationalize increasing the size standard by 50 percent in one category compared with a more reasonable increase of 5 percent under the same NAICS code?

We are curious to get your perspective on the new size standards set by the SBA and the issue of UXO /MMRP - remediation services or environmental remediation services. If you would like to

weigh in on the topic, please contact Rhonda at rhonda@uxoinfo.com.

Use the download link below to download of an excerpt from the new SBA size standards set to come into effect February 26, 2016.