

# NAICS Code Selection & Validation Guide

*How to Choose the Right NAICS Codes for Contracting Success*

Selecting the correct NAICS codes is critical for opportunity matching, certifications, and proposal competitiveness. This guide helps businesses choose, validate, and maintain NAICS codes aligned with how buyers actually purchase. NAICS selection is not a one-time administrative task. It affects eligibility, visibility, and competitiveness across federal, state, and corporate contracting. This guide provides a practical framework for selecting and validating NAICS codes based on how buyers actually procure.

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## 1. What Is a NAICS Code?

NAICS (North American Industry Classification System) codes classify businesses by primary economic activity. Federal agencies, state programs, and certification bodies use NAICS codes to match vendors to solicitations, determine eligibility for set-aside programs, apply size standards, and categorize procurement data.

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## 2. Primary vs Secondary NAICS Codes

Primary NAICS

- Represents your main revenue-generating activity
- Used for size standard determinations
- Drives certification eligibility

Secondary NAICS

- Reflect additional services or products
- Used for opportunity matching and market visibility
- Should be defensible by past performance or capability

**Best practice:** 1 primary + 2–5 secondary NAICS codes

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## 3. Step-by-Step NAICS Selection Process

### Step 1: Define What You Actually Sell

Ask:

- What does the buyer pay us for?
- What service/product is delivered under contract?

### Step 2: Use the Official Lookup Tool

- Search keywords using the U.S. Census NAICS Lookup
- Review full code descriptions, not just titles

### Step 3: Validate Against Real Solicitations

- Search SAM.gov opportunities

- Identify NAICS codes agencies actually assign
- Cross-check with similar awarded contracts
- Confirm the NAICS code assigned by the buyer, not just the one you registered

#### **Step 4: Confirm Certification Alignment**

- Ensure NAICS codes align with:
  - SBA size standards
  - State or local certification programs
  - Supplier diversity requirements

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#### **4. NAICS Validation Checklist**

Before finalizing a NAICS code, confirm:

- ✓ It matches how agencies describe the work
- ✓ Your capabilities support the classification
- ✓ Your past performance aligns
- ✓ The size standard is favorable
- ✓ It appears frequently in target solicitations

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#### **5. Common NAICS Mistakes to Avoid**

- ✗ Selecting too many NAICS codes
- ✗ Choosing aspirational codes without capability
- ✗ Using outdated or incorrect codes
- ✗ Ignoring size standards
- ✗ Failing to update NAICS when services evolve
- ✗ Misalignment between NAICS and proposals

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#### **6. Where NAICS Codes Are Used**

NAICS codes directly impact:

- SAM.gov registrations
- Certification applications (8(a), MBE, DBE, etc.)
- Opportunity notifications
- Proposal eligibility
- Market research and forecasting
- Corporate vendor portals (in some cases)

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#### **7. Federal vs State Considerations**

- Federal contracting: NAICS codes are required
- Michigan (SIGMA): Uses NIGP commodity codes, but NAICS still matters for the following:
  - Certifications
  - Federal alignment
  - Capability documentation

Some local agencies may use internal commodity codes; NAICS remains relevant for certifications and capability documentation.

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## **How Quin-Z Supports NAICS Strategy**

### **What We Do:**

We help clients select and validate NAICS codes, align NAICS with certifications and proposals, cross-map NAICS to PSC, UNSPSC, and NIGP codes, test codes against real opportunity data, and maintain NAICS accuracy as businesses scale.

**Note:** *Quin-Z Consultant Solutions, LLC provides readiness and strategic guidance, not legal determinations.*