SMALL BUSINESS, SMALL DISADVANTAGED BUSINESS, WOMEN-OWNED SMALL BUSINESS, AND HUBZONE SMALL BUSINESS SUBCONTRACTING PLAN

Identification Data

Contractor:	Honeywell Federal Manufacturing & Technologies, LLC
Address:	2000 E. 95th Street, P.O. Box 419159 Kansas City, Missouri 64141-6159
Solicitation or Contract Number:	DE-RP04-00AL66850
Item/Service:	Management and Operating Contract for Kansas City Plant
Total Amount of Contract:	$1,753,000,000
Period of Contract Performance:	01/01/2001 - 12/31/2005

Purpose of this Subcontracting Plan

We communicate the goals and methods for supporting this Subcontracting Plan in accordance with Federal Acquisition Regulation (FAR), paragraph 19.708(b) that prescribes the use of the clause at FAR 52.219-9 entitled "Small Business, Small Disadvantaged Business, Women-Owned Small Business, and HubZone Small Business Subcontracting Plan". Primary focus is placed on how Honeywell Federal Manufacturing & Technologies, LLC, referred to hereafter as Honeywell, a limited liability company wholly owned by Honeywell International Inc., has established goals and will manage support of those goals and improvements through monitoring, measuring and feedback analysis of administrative responsibilities, performance results, and outreach effectiveness. The Goals and Results reported in this Subcontracting Plan are based on subcontracting activities at both DOE/Honeywell locations: the Kansas City Plant in Kansas City, Missouri, and Kirtland Operations in Albuquerque, New Mexico.

Individual Plan

All elements are developed specifically for the entire contract period (including option periods) of this contract. All dollar and percentage goals are based on subcontracting activities associated with the U.S. Department of Energy's RFP #DE-RP04-00AL66850 dated May 8, 2000, as amended June 5 and June 13, 2000.

I. GOALS

Subcontracting Plan goals for small business (SB), small disadvantaged business (SDB), women-owned small business (WOSB), HubZone small business (HSB), and 8(a) small business are based on separate dollar and percentage goals for all categories of small business concerns for the initial and each option year of the contract, as specified in FAR 19.704.

A. Established Goals

1. See Figure SB-1 on next page.

B. Principal Products and Services to be subcontracted under this contract.

1. The charts in this section identify the planned procurement of products and services during each year of this contract by commodities and the types of businesses supplying these items. The abbreviated Business Types in the chart below represent designations for Small Business (SB), Small Disadvantaged Business (SDB), Women-Owned Small Business (WOSB), HubZone Small Business (HSB), and Large Business (LB). Also identified is the 2-digit SIC Code for the major items procured within each commodity grouping listed in this Subcontracting Plan.

In setting our targets for these products and services, Honeywell considered the current and future local market conditions and demographics; customer expectations; and other Honeywell business initiatives.

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Figure SB-1
Honeywell Federal Manufacturing & Technologies, LLC
Small Business Subcontracting Plan Goals

A. Established goals are as follows:

1. Total estimated dollar value of all planned subcontracting to both Large and Small Business concerns under this contract is:

Initial Contract:	$100,000,000
FY 2002	$100,000,000
FY 2003	$100,000,000
FY 2004	$100,000,000
FY 2005	$100,000,000

a. Large Business Concerns. Total estimated dollar value and percent of planned subcontracting with large businesses:

Initial Contract:	$60,400,000	and	60.4%
FY 2002	$56,400,000	and	56.4%
FY 2003	$52,000,000	and	52.0%
FY 2004	$49,600,000	and	49.6%
FY 2005	$47,100,000	and	47.1%

b. Small Business Concerns. Total estimated dollar value and percent of planned subcontracting with small businesses, including small disadvantaged businesses, women-owned small businesses, and HubZone small businesses:

Initial Contract:	$39,600,000	and	39.6%
FY 2002	$43,600,000	and	43.6%
FY 2003	$48,000,000	and	48.0%
FY 2004	$50,400,000	and	50.4%
FY 2005	$52,900,000	and	52.9%

c. Small Disadvantaged Business Concerns. Total estimated dollar value and percent of planned subcontracting with small disadvantaged businesses:

Initial Contract:	$3,400,000	and	3.4%
FY 2002	$3,700,000	and	3.7%
FY 2003	$4,100,000	and	4.1%
FY 2004	$4,500,000	and	4.5%
FY 2005	$5,000,000	and	5.0%

d. Women-owned Small Business Concerns. Total estimated dollar value and percent of planned subcontracting with women-owned small businesses:

Initial Contract:	$3,500,000	and	3.5%
FY 2002	$3,900,000	and	3.9%
FY 2003	$4,300,000	and	4.3%
FY 2004	$4,700,000	and	4.7%
FY 2005	$5,200,000	and	5.2%

e. HubZone Small Business Concerns. Total estimated dollar value and percent of planned subcontracting with HubZone small businesses:

Initial Contract:	$2,000,000	and	2.0%
FY 2002	$2,500,000	and	2.5%
FY 2003	$3,000,000	and	3.0%
FY 2004	$3,000,000	and	3.0%
FY 2005	$3,000,000	and	3.0%

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Honeywell, to the maximum extent practical, attempts to keep its subcontracted dollars in the Kansas City and Albuquerque areas. We concentrate our efforts on Honeywell Kansas City since 97% of our dollars are expended for Kansas City requirements. In the Kansas City area it is important to note that the economy is very diversified and Government contracting activity is not as significant as compared to areas such as New Mexico and Tennessee. As such, Kansas City does not enjoy the significant small and small disadvantaged supplier interest in Government contracts as experienced in those states.

In addition to the general market condition described above, other specific market conditions affect small and small disadvantaged business targets. Traditional high impact areas of construction and environmental services will be affected during the FY01-FY05 period.

Honeywell construction opportunities will be impacted by unprecedented construction activity in Kansas City. Construction in Kansas City is at a historic high and is expected to continue through CY03. For example, Sprint Corporation is engaged in the largest commercial construction project in the U.S.; 3 new hotels are in progress, as well as a major racecar track; a major convention center will start in CY01; a regional mall will start in FY01; and, potentially, a regional amusement park will begin construction. These projects, as well as others, will continue to drain the construction resources of Kansas City. In addition, the Kansas City construction suppliers have a higher interest in commercial projects because of their profitability and avoidance of government bureaucracy.

This "tight" construction market comes at a time when Honeywell's own SMRI (Stockpile Management Restructuring Initiative) construction projects will be started. Current projections indicate SMRI construction funding to be $42M during the 5-year contract period. The impact of the "tight" market is further compounded by DOE's expectation that construction projects will be "bundled" into "mega" packages that combine several construction projects into one large contract representing several million dollars in order to increase competition and reduce subcontractor oversight.

Understanding these conditions. Honeywell undertook an extensive search of our 4-state area to seek qualified contractors of all types, including Small Disadvantaged Businesses.

The search resulted in qualifying 4 small businesses and several large businesses. No small disadvantaged or women-owned businesses were qualified due to lack of interest, lack of qualification or lack of adequate safety performance. Early results of FY00 construction contract awards indicate that the small businesses will be very competitive and we have reflected this confidence in our targets. In addition, we will work cooperatively with DOE to determine if certain projects can be broken out of the "bundles" and targeted for small and small disadvantaged businesses. Also, the Honeywell Small Business Liaison Officer will take aggressive actions in working directly with Honeywell construction buyers and disadvantaged construction suppliers to increase opportunities and interest in Honeywell projects.

Another traditional small and small disadvantaged business strength is environmental services. Honeywell has been very successful in its remediation efforts and as such, very few new opportunities exist in this category. The main areas that do still exist are in hazardous waste transportation, hazardous waste disposal and on-site emergency clean-up response.

In the area of hazardous waste transportation and disposal, Honeywell utilizes only large businesses. Repeated searches have not identified small or small disadvantaged businesses capable of performing these services due to our stringent ES&H performance requirements.

However, in the area of on-site emergency clean-up response, Honeywell has been successful in developing BRAL Environmental Service, a woman-owned, small disadvantaged business. We currently expect $750K in contract awards for BRAL during FY01 and we are evaluating additional opportunities in the same and also new areas for FY02-05.

With many large dollar subcontracting opportunities being impacted by the construction market conditions and reductions in environmental opportunities, we have looked to non-traditional areas for small business subcontracting growth. During the FY01-05 period we will target the following areas for small, small disadvantaged and women-owned small business growth for both Kansas City and Kirtland Operations: all purchases under $2,500, currently 90% of our transactions; P-Card transactions that can be leveraged into "master order" contracts and then enabled through eProcurement catalogs; office supplies; and, specific production product identified for

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small disadvantaged businesses such as Micromode, Bogue, Pioneer and RJR Circuits.

We believe that our unique market knowledge of Kansas City and our production product knowledge have resulted in viable targeted areas where growth can be achieved.

Typically, we leverage requirements into bigger packages in order to increase supplier interest and to obtain cost reductions and cycle time reductions. It requires significant planning to structure these bigger packages in such a way that allows small businesses to compete and win contracts. We understand these conditions and will work aggressively to find innovative solutions that permit small business participation to the greatest extent practical.

The centralized procurement of most of the production product and material from 5 other DOE production sites to the Kansas City Plant also must be addressed. Current projections indicate that this centralization will involve several hundred production parts representing $11-30M in expenditures. From current evaluations it appears that the majority of this centralized procurement will be based on designated sources. This means that the design lab (e.g., SNL) determines the supplier and then designates that supplier as the only approved source. This impacts small business participation; if the suppliers are designated, then Honeywell must use those suppliers. Honeywell will proactively partner with Sandia and the other sites to identify and develop small business and small disadvantaged business suppliers for designated items and to the fullest extent possible, provide opportunities to compete the requirements.

A final consideration involves HubZone goals. The goals provided by Honeywell reflect current percentages required under federal regulations. Honeywell believes these goals must be reflected in order to be compliant. However, in reality, these goals will be very difficult to achieve because of the very small number of certified HubZone businesses. In Kansas City and Albuquerque, there are 11 and 19 HubZone businesses, respectively. In addition, many of these businesses offer products/services not required by Honeywell. Throughout the nation, only 1,265 businesses have received HubZone certification. Adding businesses is restrictive due to the mandatory requirements: 1) business must be in the zone; 2) business must be small; 3) business must be owned by U.S. citizen(s); 4) 35% of employees must live in zone. As described under Section III, Honeywell will aggressively work to involve HubZone businesses in our procurement process and assist small businesses with the certification process.

In summary, Honeywell will continue to work the traditional areas of small business and small disadvantaged business strengths with the inclusion of the customer. In addition, Honeywell will target non-traditional areas for aggressive growth. Coupled with our outreach efforts described under Section III of this plan and more proactive involvement by the Small Business Liaison Officer, Honeywell will meet its commitment of growing small disadvantaged business expenditures 10% yearly over the FY00 baseline, or 61% over the 5-year period. Additionally, Honeywell will grow overall small business expenditures by 47% over the 5-year period. (See Figure SB-2 for details regarding targets by product and planned subcontractor).

2. Methodology:

Honeywell Strategic Approach to Small Business Management — *To exceed Customer and Honeywell expectations of world-class performance through continuous improvement and application of best technical and business practices.*

Honeywell's strategic approach ultimately seeks to maximize and drive utilization of Small Businesses for both Honeywell/KC and Honeywell/NM, especially Small Disadvantaged Businesses, via a formal written plan and identification of goals developed through collaborative partnering with DOE. This approach also incorporates commitment, proactive involvement and outreach to the Small Business Community, especially in Kansas City and Albuquerque.

In addition to addressing Honeywell and DOE expectations for continued Small Business growth, the strategic approach is also aligned with Honeywell International expectations. Mike Bonsignore, Honeywell International Chief Executive Officer and Chairman of the Board, considers Supplier Diversity "a business imperative" and has established Supplier Diversity as a Strategic Corporate Goal.

Honeywell implements its strategic approach through a variety of methodologies.

Utilizing a proven, metric based management process, Honeywell evaluates performance results from prior years, projects business needs based on

Figure SB-2
YEAR 1 - FY2001

Subcontracted Product or Service	SIC	Planned Subcontractors	(in thousands) SB	LB	SDB	WOSB	HSB	SDB Target % to Est. Contract Cost	SB Target % to Est. Contract Cost
Construction – Special Trade Contractors	17	BRAL All-Pro Construction	$11,000	$7,000	$470	$720	$200	0.169675	3.971119
Furniture and Fixtures	25	The Marvel Group	$200	$175	$45	$4		0.016245	0.072202
Paper and Allied Products	26	Controlled Environment Products	$100	$275	$10	$80		0.003610	0.036101
Chemicals and Allied Products	28	Caddo, Riteway Magic Supply Co., Hoston Oil	$500	$2,000	$55	$50		0.019856	0.180505
Rubber and Miscellaneous Plastics Products	30		$150	$50	$0	$1		0.000000	0.054152
Stone, Clay, Glass, & Concrete Products	32		$100	$100	$29	$0		0.010469	0.036101
Primary Metal Industries	33		$100	$100	$30	$0		0.010830	0.036101
Fabricated Metal Products, except Machinery and Transportation Equipment	34	Bouge Machine, Marvel Group, MCT Industries, Rocky Mountain Inst., KFI Fasteners	$8,000	$3,000	$395	$800	$400	0.142599	2.888087
Industrial and Commercial Machinery and Computer Equipment	35	Software House Int'l, GC Micro, Sayers Comp. Source, Professional Bus. Systems	$8,000	$17,000	$1,000	$1,000	$600	0.361011	2.888087
Electrical Equipment and Components Except Computer Equipment	36	Micro-Mode, Betatron, SRB Technologies, River City Designs	$3,000	$6,000	$350	$125	$100	0.126354	1.083032
Transportation Equipment	37		$50	$20	$1	$5		0.000361	0.018051
Measuring, Analyzing, and Controlling Instruments, Photographic, Medical, and Optical Goods, Watches, and Clocks	38		$50	$20	$0	$1		0.000000	0.018051
Business Services	73	Advanced Eng. Assoc, Native American Sys., Statewide Plumbing, DPA Components Int'l, Riojas Enterprises	$7,000	$17,000	$750	$465	$600	0.270758	2.527076
Miscellaneous Repair Services	76		$250	$650	$0	$10		0.000000	0.090253
Engineering, Accounting, Research, Management, and Related Services	87		$35	$5,000	$0	$0		0.000000	0.012635
Other		Photo-Tech	$1,065	$2,010	$265	$239	$100	0.095668	0.384477
			SMALL	**LARGE**	**SDB**	**WOSB**	**HSB**		
Procurement Base = $100M			$39,600	$60,400	$3,400	$3,500	$2,000	1.227437	14.296029
FY Contract Cost Base = $277M			**14.2%**	**21.8%**	**1.2%**	**1.2%**	**0.7%**		

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YEAR 2 - FY2002

Subcontracted Product or Service	SIC	Planned Subcontractors	(in thousands) SB	LB	SDB	WOSB	HSB	SDB Target % to Est. Contract Cost	SB Target % to Est. Contract Cost
Construction -- Special Trade Contractors	17	BRAL All-Pro Construction	$12,000	$4,000	$570	$800	$200	0.154472	3.252033
Furniture and Fixtures	25	The Marvel Group	$200	$175	$45	$10		0.012195	0.054201
Paper and Allied Products	26	Controlled Environment Products	$110	$275	$10	$100		0.002710	0.029810
Chemicals and Allied Products	28	Caddo, Riteway Magic Supply Co., Hoston Oil	$600	$2,000	$60	$100		0.016260	0.162602
Rubber and Miscellaneous Plastics Products	30		$175	$50	$0	$10		0.000000	0.047425
Stone, Clay, Glass, & Concrete Products	32		$125	$125	$30	$10		0.008130	0.033875
Primary Metal Industries	33		$100	$230	$30	$10		0.008130	0.027100
Fabricated Metal Products, except Machinery and Transportation Equipment	34	Bouge Machine, Marvel Group, MCT Industries, Rocky Mountain Inst., KFI Fasteners	$8,500	$3,000	$400	$900	$600	0.108401	2.303523
Industrial and Commercial Machinery and Computer Equipment	35	Software House Int'l, GC Micro, Sayers Comp. Source, Professional Bus. Systems	$9,500	$15,000	$1,200	$1,000	$800	0.325203	2.574526
Electrical Equipment and Components Except Computer Equipment	36	Micro-Mode, Betatron, SRB Technologies, River City Designs	$3,500	$7,000	$350	$225	$100	0.094851	0.948509
Transportation Equipment	37		$60	$20	$1	$5		0.000271	0.016260
Measuring, Analyzing, and Controlling Instruments, Photographic, Medical, and Optical Goods, Watches, and Clocks	38		$50	$25	$0	$1		0.000000	0.013550
Business Services	73	Advanced Eng. Assoc, Native American Sys., Statewide Plumbing, DPA Components Int'l Riojas Enterprises	$7,100	$18,000	$775	$475	$700	0.210027	1.924119
Miscellaneous Repair Services	76		$260	$500	$0	$10		0.000000	0.070461
Engineering, Accounting, Research, Management, and Related Services	87		$50	$5,000	$0	$0		0.000000	0.013550
Other		Photo-Tech	$1,270	$1,000	$229	$244	$100	0.062060	0.344173
			SMALL	**LARGE**	**SDB**	**WOSB**	**HSB**		
Procurement Base = $100M			$43,600	$56,400	$3,700	$3,900	$2,500	1.002710	11.815718
FY Contract Cost Base = $369M			**11.8%**	**15.2%**	**1.0%**	**1.0%**	**0.6%**		

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YEAR 3 - FY2003

Subcontracted Product or Service	SIC	Planned Subcontractors	(in thousands) SB	LB	SDB	WOSB	HSB	SDB Target % to Est. Contract Cost	SB Target % to Est. Contract Cost
Construction – Special Trade Contractors	17	BRAL All-Pro Construction	$13,500	$3,000	$600	$800	$400	0.162602	3.658537
Furniture and Fixtures	25	The Marvel Group	$200	$175	$45	$10		0.012195	0.054201
Paper and Allied Products	26	Controlled Environment Products	$125	$275	$10	$100		0.002710	0.033875
Chemicals and Allied Products	28	Caddo, Riteway Magic Supply Co., Hoston Oil	$750	$1,800	$60	$100		0.016260	0.203252
Rubber and Miscellaneous Plastics Products	30		$175	$50	$0	$10		0.000000	0.047425
Stone, Clay, Glass, & Concrete Products	32		$145	$100	$30	$0		0.008130	0.039295
Primary Metal Industries	33		$100	$230	$30	$10		0.008130	0.027100
Fabricated Metal Products, except Machinery and Transportation Equipment	34	Bouge Machine, Marvel Group, MCT Industries, Rocky Mountain Inst., KFI Fasteners	$9,000	$3,000	$425	$1,000	$800	0.115176	2.439024
Industrial and Commercial Machinery and Computer Equipment	35	Software House Int'l, GC Micro, Sayers Comp. Source, Professional Bus. Systems	$11,000	$13,000	$1,300	$1,200	$800	0.352304	2.981030
Electrical Equipment and Components Except Computer Equipment	36	Micro-Mode, Betatron, SRB Technologies, River City Designs	$3,750	$7,000	$350	$250	$100	0.094851	1.016260
Transportation Equipment	37		$70	$20	$0	$5		0.000000	0.018970
Measuring, Analyzing, and Controlling Instruments, Photographic, Medical, and Optical Goods, Watches, and Clocks	38		$50	$25	$0	$1		0.000000	0.013550
Business Services	73	Advanced Eng. Assoc, Native American Sys., Statewide Plumbing, DPA Components Int'l Riojas Enterprises	$7,400	$17,000	$785	$500	$800	0.212737	2.005420
Miscellaneous Repair Services	76		$275	$450	$0	$50		0.000000	0.074526
Engineering, Accounting, Research, Management, and Related Services	87		$100	$5,000	$0	$0		0.000000	0.027100
Other		Photo-Tech	$1,360	$875	$465	$264	$100	0.126016	0.368564
			SMALL	**LARGE**	**SDB**	**WOSB**	**HSB**		
Procurement Base = $100M			$48,000	$52,000	$4,100	$4,300	$3,000	1.111111	13.008130
FY Contract Cost Base = $369M			**13.0%**	**14.0%**	**1.1%**	**1.1%**	**0.8%**		

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YEAR 4 - FY2004

Subcontracted Product or Service	SIC	Planned Subcontractors	(in thousands) SB	LB	SDB	WOSB	HSB	SDB Target % to Est. Contract Cost	SB Target % to Est. Contract Cost
Construction – Special Trade Contractors	17	BRAL All-Pro Construction	$14,000	$3,000	$675	$650	$400	0.182927	3.794038
Furniture and Fixtures	25	The Marvel Group	$200	$175	$50	$20		0.013550	0.054201
Paper and Allied Products	26	Controlled Environment Products	$130	$240	$100	$125		0.027100	0.035230
Chemicals and Allied Products	28	Caddo, Riteway Magic Supply Co., Hoston Oil	$1,000	$1,400	$200	$125		0.054201	0.271003
Rubber and Miscellaneous Plastics Products	30		$182	$50	$0	$25		0.000000	0.049322
Stone, Clay, Glass, & Concrete Products	32		$145	$100	$30	$0		0.008130	0.039295
Primary Metal Industries	33		$100	$230	$50	$0		0.013550	0.027100
Fabricated Metal Products, except Machinery and Transportation Equipment	34	Bouge Machine, Marvel Group, MCT Industries, Rocky Mountain Inst., KFI Fasteners	$9,275	$900	$500	$1,100	$800	0.135501	2.513550
Industrial and Commercial Machinery and Computer Equipment	35	Software House Int'l, GC Micro, Sayers Comp. Source, Professional Bus. Systems	$12,000	$16,000	$1,350	$1,400	$800	0.365854	3.252033
Electrical Equipment and Components Except Computer Equipment	36	Micro-Mode, Betatron, SRB Technologies, River City Designs	$3,900	$5,000	$400	$300	$100	0.108401	1.056911
Transportation Equipment	37		$70	$1	$1	$5		0.000271	0.016970
Measuring, Analyzing, and Controlling Instruments, Photographic, Medical, and Optical Goods, Watches, and Clocks	38		$50	$25	$0	$5		0.000000	0.013550
Business Services	73	Advanced Eng. Assoc, Native American Sys., Statewide Plumbing, DPA Components Int'l Riojas Enterprises	$7,400	$17,000	$800	$600	$800	0.216802	2.005420
Miscellaneous Repair Services	76		$290	$450	$0	$10		0.000000	0.078591
Engineering, Accounting, Research, Management, and Related Services	87		$200	$4,500	$50	$75		0.013550	0.054201
Other		Photo-Tech	$1,458	$529	$294	$60	$100	0.079675	0.395122
			SMALL	**LARGE**	**SDB**	**WOSB**	**HSB**		
Procurement Base = $100M			$50,400	$49,600	$4,500	$4,700	$3,000	1.219512	13.658537
FY Contract Cost Base = $369M			**13.6%**	**13.4%**	**1.2%**	**1.2%**	**0.8%**		

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YEAR 5 - FY2005

Subcontracted Product or Service	SIC	Planned Subcontractors	(in thousands) SB	LB	SDB	WOSB	HSB	SDB Target % to Est. Contract Cost	SB Target % to Est. Contract Cost
Construction – Special Trade Contractors	17	BRAL All-Pro Construction	$15,000	$3,000	$775	$850	$400	0.210027	4.065041
Furniture and Fixtures	25	The Marvel Group	$225	$150	$50	$20		0.013550	0.060976
Paper and Allied Products	26	Controlled Environment Products	$150	$220	$125	$200		0.033875	0.040650
Chemicals and Allied Products	28	Caddo, Riteway Magic Supply Co., Hoston Oil	$1,200	$1,200	$250	$200		0.067751	0.325203
Rubber and Miscellaneous Plastics Products	30		$200	$30	$0	$25		0.000000	0.054201
Stone, Clay, Glass, & Concrete Products	32		$150	$80	$30	$0		0.008130	0.040650
Primary Metal Industries	33		$125	$210	$75	$0		0.020325	0.033875
Fabricated Metal Products, except Machinery and Transportation Equipment	34	Bouge Machine, Marvel Group, MCT Industries, Rocky Mountain Inst., KFI Fasteners	$9,500	$750	$600	$1,200	$800	0.162602	2.574526
Industrial and Commercial Machinery and Computer Equipment	35	Software House Int'l, GC Micro, Sayers Comp. Source, Professional Bus. Systems	$13,000	$15,000	$1,500	$1,500	$800	0.406504	3523035
Electrical Equipment and Components Except Computer Equipment	36	Micro-Mode, Betatron, SRB Technologies, River City Designs	$4,000	$4,750	$450	$350	$100	0.121951	1.084011
Transportation Equipment	37		$70	$1	$1	$5		0.000271	0.018970
Measuring, Analyzing, and Controlling Instruments, Photographic, Medical, and Optical Goods, Watches, and Clocks	38		$50	$25	$0	$5		0.000000	0.013550
Business Services	73	Advanced Eng. Assoc, Native American Sys., Statewide Plumbing, DPA Components Int'l Riojas Enterprises	$7,800	$16,500	$850	$650	$800	0.230352	2.113821
Miscellaneous Repair Services	76		$300	$425	$0	$10		0.000000	0.081301
Engineering, Accounting, Research, Management, and Related Services	87		$225	$4,000	$75	$100		0.020325	0.060976
Other		Photo-Tech	$905	$759	$219	$85	$100	0.059350	0.245257
			SMALL	**LARGE**	**SDB**	**WOSB**	**HSB**		
Procurement Base = $100M			$52,900	$47,100	$5,000	$5,200	$3,000	1.355014	14.336043
FY Contract Cost Base = $369M			**14.3%**	**12.7%**	**1.3%**	**1.4%**	**0.8%**		

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"Honeywell International recognizes that small minority-owned and women-owned businesses are essential partners in stimulating our growth and innovation and contributing to our joint business success."— Mike Bonsignore, Chief Executive Officer and Chairman of the Board, Honeywell International

anticipated funding by SIC Group for the upcoming years, and establishes the company's business objectives in developing fiscal year goals and actions for Small Business. Goals are expressed in terms of percentage of total planned procurement awards in dollars that are committed to Small Business, Small Disadvantaged Business, Women-Owned Business and HubZone Business.

This process also integrates the DOE's expectations via a collaborative meeting with the DOE Kansas City Area Office prior to finalization and presentation of the goals and actions. Having finalized the goals and actions with DOE and obtained approval, the goals are incorporated in the DOE's Balanced Scorecard Metrics for Honeywell under the "Corporate Citizenship" category.

To ensure organizational alignment with the finalized goals and actions, Honeywell procurement department manager and individual buyer goals are established and documented through the Honeywell performance appraisal process.

Progress against the Small Business goals is reported in 2 ways. First, results are published monthly and then prominently posted in each Procurement Department's Visual Workplace area. Visual Workplace is a Honeywell communication tool providing direct graphic feedback, publicly posted in common areas in the Procurement Organization. Second, results are reviewed with the DOE during formal Quarterly Operations Reviews. A recently installed procurement information database provides visibility and status of the goals on a daily basis by individual buyer and department. This real-time reporting system allows easier and faster access to information. Efforts previously spent on retrieving and reporting information have been diverted to more productive actions in direct support of the subcontracting plan goals.

Honeywell proactively participates with the small business community, civic organizations and trade organizations, especially in Kansas City and Albuquerque. In addition, emphasis is placed on outreach efforts through conducting workshops on such subjects as ISO 9000 and Honeywell's Six Sigma Core *Plus* Tools (e.g., process mapping).

Section III of this document provides additional details. A new outreach initiative utilizing the DOE Mentor-Protégé Program will be evaluated during FY01 and FY02.

Further, Honeywell outreach methodologies continue to include traditional methods of expanding opportunities to small businesses through utilizing sources such as the SBA Pro-Net database. See Section III of this document for a detailed listing of additional sources.

3. The dollar and percentage subcontracting goals stated above do not include indirect costs.

4. Additional information on Indirect Costs is not required.

II. PROGRAM ADMINISTRATOR

Name: C.J. Warrick
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Program Administrator Duties:

In addition to the general overall responsibility for Honeywell's subcontracting program which include, but are not limited to developing, preparing, and executing the Subcontracting Plan and monitoring performance relative to the requirements, the Program Administrator, referred to as the Small Business Liaison Officer (SBLO) at Honeywell, is tasked as shown in Figure SB-3 on the next page.

III. EQUITABLE OPPORTUNITY AND OUTREACH EFFORTS

Honeywell will ensure that SB, SDB, WOSB, HSB, and 8(a) small business concerns have an equitable opportunity to compete for subcontracts. The various efforts include, but are not limited to, the following activities:

Figure SB-3
Program Administrator Duties

- Developing and maintaining bidders lists of small business (SB), small disadvantaged business (SDB), women-owned small business (WOSB), HubZone small business (HSB), and 8(a) small business concerns from all sources.
- Ensuring that procurement packages are designed to encourage the maximum participation of SB, SDB, WOSB, HSB, and 8(a) small business concerns within requirements of the Prime Contract, FAR and DEAR.
- Ensuring inclusion of SB, SDB, WOSB, HSB, and 8(a) small business concerns whose capabilities coincide with solicitations requiring their products or services.
- Reviewing solicitations to identify and remove any statements or clauses which may restrict or prohibit SB, SDB, WOSB, HSB, or 8(a) small business concerns and assisting buyers in identifying new sources to ensure periodic rotation of potential subcontractors on bidders' lists.
- Ensuring that when appropriate, the Honeywell Contract Review Board documents the reasons for not selecting low bids submitted by SB, SDB, WOSB, HSB, and 8(a) small business concerns.
- Ensuring that records of solicitation and subcontract award activity are properly established and maintained.
- Attending or arranging for the attendance of Honeywell representatives at Small Business events such as Opportunity Workshops, Minority and Women Business Seminars, Trade Fairs, and Procurement Conferences.
- Monitoring Honeywell's performance and making necessary adjustments to achieve the subcontract plan goals by developing recovery plans to support goal areas that are below target and reviewing such plans with Honeywell purchasing management and DOE.
- Preparing and submitting timely, required subcontract reports, such as the SF294 and SF295.
- Coordinating Honeywell's activities during compliance reviews conducted by Federal agencies.
- Overseeing the establishment and maintenance of contract and subcontract award records.
- Developing and promoting company-wide policy initiatives that demonstrate support for awarding contracts and subcontracts to SB, SDB, WOSB, HSB, and 8(a) small business concerns.
- Using several business directory sources from organizations such as Diversity Information Resources and the Minority Supplier Council to ensure identification and utilization of SB, SDB, WOSB, HSB, and 8(a) small business concerns. Continual effort is made to update and find new sources such as Internet business directory sites.
- Conducting workshops to ensure SB, SDB, WOSB, HSB, and 8(a) small business concerns are made aware of subcontracting opportunities and how to prepare responsive proposals to Honeywell procurements.
- Conducting or arranging for the conduct of annual training for purchasing personnel regarding the intent and impact of Public Law 95-507 on purchasing procedures.
- Developing methodologies that ensure easier access to award opportunities for SB, SDB's, WOSB's, HSB's, and 8(a) small business. A cross-functional Six Sigma *Plus* Team (Honeywell name for a process improvement team) will be established during FY2001 to improve small business accessibility to award opportunities. The overall goal will be to remove real and perceived barriers preventing new contractors from bidding on requirements. This Team also will be tasked with identifying and making recommendations for reviewing processes and solicitations to remove statements, clauses, and practices which may tend to restrict or prohibit participation by SB, SDB, WOSB, HSB, and 8(a) small business concerns.
- Ensuring that historically Black colleges and universities and minority institutions shall be afforded maximum practicable opportunity to participate in the procurement process.
- Other duties include:
  - Address Small Business Initiatives in the Honeywell Strategic Plan that includes Plant-wide approaches for expanding supplier diversity in support of SB, SDB, WOSB, HSB, and 8(a) small businesses.
  - Ensure company alignment with the Honeywell International corporate Supplier Diversity goals by serving on the Honeywell International Supplier Diversity Council.
  - Promote the image of Honeywell with SB, SDB, WOSB, HSB, and 8(a) small businesses in respective community affairs.
  - Serve as a liaison between small business suppliers and Honeywell.
  - Expand capabilities during FY2001 for buyer access to on-line directories, internet sites, and intranet sites that will facilitate access to new sources for SB, SDB, WOSB, HSB, and 8(a) small businesses.
  - Design appropriate public relations venues for promoting Subcontracting Plan performance results and initiatives. Publish internal communications to acknowledge Small Business "Success Stories."
  - Encourage employees, outside of the procurement organization, to establish relationships with SDB and WOSB suppliers to increase their awareness of bidding opportunities.
  - Coordinate and report on intra-Plant activities involving projects and interfaces with Small Businesses.
  - Acknowledge buyer performance and provide recognition and awards for above-goal performance.

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A. Outreach efforts to obtain sources:

1. Expanded notification efforts of award opportunities and referrals by contacting SB, SDB, WOSB, HSB, and 8(a) small business trade associations to obtain referral sources. Honeywell currently interfaces with the:

- Kansas City Hispanic Association Contractors Enterprise (KCHACE) (SDB)
- Women in Technology Network-Silicone Prairie Technology Association (WOSB)
- Minority Contractors' Association (SDB)

2. Honeywell's participation with small business development organizations provides fertile ground for on-going knowledge of new businesses and their capabilities. Honeywell is actively involved with:

- The Rockhurst University Small Business Development Center
- The Missouri Procurement Assistance Centers
- Numerous local and national business incubators

3. Honeywell's Senior Management, Procurement Management, buyers, Office of Industrial Partnerships employees, Plant customers, and Small Business Program Administrator expend significant time participating in, attending, and supporting SB, SDB, WOSB, HSB, and 8(a) small business concerns at procurement conferences and trade fairs. Honeywell frequently sponsors targeted events and contributes resources for leadership support of organizational activities. Sponsoring organizations for these events include:

- Rockhurst University - Small Business Development Center
- Kansas City Minority Supplier Council
- Rio Grande Minority Supplier Council (New Mexico)
- Greater Kansas City Chamber of Commerce
- Greater Kansas City Hispanic Chamber of Commerce

4. The Small Business Program Administrator and buying staff routinely use the SBA's Pro-Net database as a resource for potential small business sources.

5. Honeywell targeting specialized newspapers such as *The Kansas City Call* and *Hispanic News* for use as a means to attract and encourage participation by SDB and WOSB sources for specific types of procurement awards in FY2001.

6. Other participation efforts or activities to expand the socioeconomic database for this contract include the following:

- Honeywell's Office of Industrial Partnerships has been highly effective working with more than 1,200 small businesses on projects conducted in the areas of Technology Transfer and the Technical Assistance Program
- Honeywell, in partnership with the State of New Mexico's Economic Development Department, offers training preparation for small businesses interested in ISO 9000 certification. To date, 22 small businesses have participated in this training. Plans to expand ISO Training beyond the Albuquerque area in New Mexico and in the Kansas City area have initiation targets in FY2001 and FY2002.

7. Utilizing book references, catalogs, source lists, or other reference material to identify SB/SDB/WOSB/HSB/8(a) small business supplier sources before the acquisitions are awarded. Other resources include:

- North Central Regional Council for Small Business Advocacy Prime Contractors' Database of Women-Owned Small Businesses
- State of Missouri listing of State Certified Minority and Women-Owned Businesses for Construction
- Kansas Department of Commerce & Housing's Minority- and Women-owned Business Directory
- LaLista Latino Hispanic Business Directory
- Diversity Information Resources Supplier Directory
- Local and National Minority Supplier Council Member Directories
- Listings of specialized procurement websites

8. Additional Efforts:

SB, SDB, WOSB, HSB and 8(a) business supplier sources are also identified through networking and benchmarking activities associated with:

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- Honeywell International members of the National Minority Supplier Development Council
- Prime Contractors in the SBLO Network Group and the North Central Council for Small Business Advocacy
- Members of the Honeywell International Supplier Diversity Council
- Local supplier diversity managers on the Minority Supplier Council's Minority Business Coordinator's Committee.

B. Internal efforts to guide and encourage purchasing personnel:

1. Small Business training is conducted as part of the new buyer orientation and will be expanded annually for experienced buyers in FY2001. External training opportunities are identified and communicated to the Purchasing Management and buyer staffs.

2. Establishing, maintaining, and using SB, SDB, WOSB, HSB, and 8(a) small business source lists, guides, and other data for soliciting proposals.

3. Monitoring compliance to the subcontracting plan is accomplished through semi-annual Value Based Self-Assessment Reviews and during Quarterly Operations Reviews with DOE-KCAO personnel.

4. Additional Efforts:

- Focus effort on securing DOE funding for eProcurement initiative as a strategic means to restructure micro-purchase opportunities with small business suppliers. Implementation expected during the 1st half of FY2001.
- Reinforce buyer accountability through specific SB, SDB, WOSB, HSB, and 8(a) small Business targets identified in the Performance Appraisal process in FY2001.
- Document and report results of the proactive efforts taken by the buying staff in the annual performance appraisal. Documented efforts will include the following: visits by SB, SDB, WOSB, HSB, and 8(a) small business suppliers, site visits, attendance at small business events and at trade shows, presentations at business organization functions in FY2001, and work on small business committees.
- Document awards to small businesses that were previously awarded to large businesses, beginning in FY2001.
- Document the business process in the Honeywell Command Media work instruction system to incorporate Small Business Program Administrator review of sources prior to RFP issuance of $50K or greater to determine subcontracting opportunities for procurements not set aside for Small Business.
- Pursue with DOE redistribution of SMRI construction packages that will increase award opportunities to Small and Small Disadvantaged Businesses.
- Assign FY2001 Departmental Goals in accordance with the Subcontracting Plan.
- As part of the Minority Supplier Council's new initiative, Market Place 2001, Honeywell is scheduled to co-host a trade show with Honeywell International business unit, Aerospace Electronic Systems, during CY2001.
- Communicate Federal Small Business Goal guidelines (SB 23%, SDB 5%, and WOSB 5%) expectations to 2nd Tier Suppliers to improve subcontracting plan performance.
- Document the current business process during FY 2001 in which Honeywell expends additional effort to seek SDB and WOSB sources on purchase orders in the range of $50K to $99K. This measure helps ensure compliance to this subcontracting plan.
- Expand current ISO 9000 training for small businesses conducted in New Mexico to also include Kansas City. During FY 2001-2002, conduct 2 classes in Kansas City and continue outreach in New Mexico by conducting 2 additional classes.
- Other training efforts with small business contractors are planned that will include Honeywell's Six Sigma *Plus* "Safety Leadership" during CY2001 for Kansas City and Albuquerque.
- Encourage Honeywell's 2nd Tier Subcontractors to participate in area trade shows beginning in FY2001.
- Evaluate the DOE Mentor Protégé Program for procurements relating to production, construction, and environmental services during FY 2001.

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- To improve SDB performance, investigate increased usage of the DOE 8(a) Pilot Program in CY 2001.
- Develop centralized reporting capability for plant-wide small business activity and issues in in CY2001.
- Improve Honeywell's Subcontracting Plan management through yearly self-assessments to assure compliance to regulatory standards.
- Implement a business strategy to increase SB, SDB, WOSB, and HSB for Small Business awards under $2,500.
- In conjunction with the Market Place 2001 Trade Show, invite SBA Commercial Officers to assist Small Businesses with SBA Certification information, such as HubZones.
- In conjunction with the Market Place 2001 Trade Show, target methods to generate on-the-spot purchases with suppliers through P-Card purchases and appointments with end users and buyers.
- Redefine award criteria to develop "best value" for certain types of procurements pertaining to SB, SDB, WOSB, HSB, and 8(a) small businesses.
- Share the Honeywell International Booth at targeted trade shows to showcase a Small Business Supplier (for example: Mentor Protégé Program, a Supplier Excellence Award Winner, or a participant in the ISO 9000 Training).

IV. SUBCONTRACTING PLAN FLOWDOWN

Honeywell agrees to include the provisions under FAR 52.219-8, "Utilization of Small Business Concerns, Small Disadvantaged Business Concerns. Women-Owned Small Business Concerns, and HubZone Small Business Concerns" in all subcontracts that offer further subcontracting opportunities. All subcontractors, except small business concerns, that receive subcontracts in excess of $500K ($1M for construction) must adopt and comply with a plan similar to the plan required by FAR 52.219-9, "Small Business, Small Disadvantaged Business, Women-Owned Small Business, HubZone Small Business Subcontracting Plan". (FAR 19.704 (a)(4)).

V. REPORTS AND SURVEYS

Honeywell gives assurance of (1) cooperation in any studies or surveys that may be required by the contracting agency or the Small Business Administration; (2) submission of periodic reports, such as utilization reports, which show compliance with the subcontracting plan; (3) submission of Standard Form (SF) 294, "Subcontracting Report for Individual Contracts," and SF295, "Summary Subcontract Report,"in accordance with the instructions on the forms; (4) assuring that large business subcontractors with subcontracting plans agree to submit SF294 and 295; and (5) submission of information from SF294 and 295 to the DOE Subcontracting Reporting System at the internet address http://www.pr.doe.gov/srs/.

Report due dates:

Reporting Period	Report Due	Date Due
Oct 1 - Mar 31	SF-294	April 30
Apr 1 - Sep 30	SF-294	October 30
Oct 1 - Sep 30	SF-295	October 30

Addresses for submitting SF294 and 295: SF294 to be submitted to the cognizant contracting officer or as otherwise specified in the contract; and SF295 to be submitted to the Department of Energy, Small Business Program Office, Contracts and Procurement Division, P.O. Box 5400, Albuquerque, NM 87185, or as otherwise specified in the contract and to the cognizant SBA Commercial Market Representative.

VI. RECORDS AND PROCEDURES

Honeywell will maintain records to demonstrate the procedures adopted to comply with the requirements and goals in the Subcontracting Plan. Honeywell recently implemented a new, flexible computer-based enterprise management system that is highly effective for identifying and collecting data required for subcontracting reports to DOE. Data collection for reports and records can be efficiently extracted and prepared. Records include the following:

A. Sources used for identifying SB, SDB, WOSB, HSB, and 8(a) small business concerns other than Pro-Net. will list the names of guides and other data identifying such vendors.

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B. List of organizations contacted to locate SB, SDB, WOSB, HSB, and 8(a) small business sources.

C. On a contract-by-contract basis, records on all subcontract solicitations over $100K which indicate for each solicitation (1) whether small business concerns were solicited, and if not, why not; (2) whether small disadvantaged business concerns were solicited, and if not, why not; (3) whether women-owned small businesses were solicited, and if not, why not; and (4) reason for failure of solicited SB, SDB, WOSB, HSB, and 8(a) small business concerns to receive the subcontract award.

D. Actions to support other outreach efforts, e.g., contacts with minority, small business, women-owned small business, HubZone small business trade associations, attendance at small business, minority, women-owned small business procurement conferences and trade fairs.

E. Actions to support internal guidance and encouragement provided to buyers through (1) workshops, seminars, training programs, incentive awards; and (2) monitoring of activities to evaluate compliance to regulations and requirements.

F. On a contract-by-contract basis, records to support subcontract award data including the name, address and business size of each subcontractor.

G. Program Administrator maintains the following additional records:

- Individual Buyer Performance.
- Small Business Subcontracting Opportunities.
- Small Business Historical Performance.
- Small Business Program Outreach Budget.
- Chronological Small Business Program Activity and Outreach Report.

This subcontracting plan was submitted by: Honeywell Federal Manufacturing & Technologies, LLC

Signed: Karen K Clegg

Typed Name: Karen K. Clegg

Title: President

Date: October 12, 2000

Phone No.:

Plan Accepted by: Michael J. Fenty
Contracting Officer

Date: 10/16/00

Plan Concurred on by: Lillian A. Retallack
Small and Disadvantaged Business Utilization Specialist

Date: 10/13/00