

QUARTERLY SOURCING COMPLIANCE NEWSLETTER



HONEYWELL

Sourcing Compliance Newsletter

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About Our Newsletter

Welcome to the latest edition of our quarterly Sourcing Compliance newsletter! In this issue, we're excited to share some significant updates that reflect our ongoing commitment to growth and innovation within the sourcing compliance organization. We are thrilled to share a series of exciting announcements that are set to enhance our operational capabilities and overall efficiency.

New Resources & Initiatives:

We have several new resources that have joined our team and will be supporting our ongoing efforts. In addition to the new resources, we have numerous initiatives and projects currently under implementation. These projects aim to optimize our workflows and improve our productivity across the organization.

Ongoing Projects:

These initiatives are designed to streamline our processes, ensuring that we can meet the evolving demands of our customers while enhancing our operational effectiveness.

We believe these strategic changes will empower us to work more efficiently, ultimately leading to improved output and customer satisfaction. Stay tuned for more updates as we embark on this exciting journey together!



Organizational Announcement

Please join us in welcoming the newest members of the Sourcing Compliance organization! The addition of these new team members is a pivotal step in our journey towards growth and strength as an organization. They bring a diverse set of skills and fresh perspectives that will not only enhance our compliance initiatives but also foster a culture of continuous improvement.

Their commitment to excellence and teamwork will empower us to tackle challenges more effectively and seize new opportunities, positioning our organization for sustainable success in an ever-evolving landscape. Together, we are confident that their contributions will lead us to new heights, solidifying our reputation and impact on the organization.



- **Morgan Castlegrante** - Director Strategic Sourcing Compliance, System Readiness & Due Diligence
- **Bryan Bennett** - Sr. Strategic Sourcing Manager, Compliance System Readiness
- **Justin Phillips** - Lead ISC Project Management Specialist, Compliance System Readiness, Supplier Responsibility
- **Lola Archie** - Lead ISC Project Management Specialist, Compliance System Readiness, Small Business
- **Amy McGuire** - Sr. ISC Project Management Manager, Due Diligence
- **Omayra Mendez** - Lead ISC Project Management Specialist, Due Diligence
- **Marci Babicz** - Sr. Strategic Sourcing Specialist, Sourcing Compliance, Government Purchase Orders
- **Madison Tunberg** - Lead Strategic Sourcing Specialist, Sourcing Compliance, Government Proposals
- **Sonia Cruz Luciano** - Strategic Sourcing Specialist Principal, Sourcing Compliance, Government Proposals and Government Program Contracts

Introducing FAR Part 13: Simplified Acquisition Procedures

Simplified Acquisition in Government Contracting

FAR Part 13 outlines the Simplified Acquisition Procedures (SAP) that the Government utilizes when procuring goods and services below the Simplified Acquisition Threshold (SAT). By focusing on the benefits and practicality of FAR Part 13, we can effectively streamline processes and enhance efficiency.

The implementation date for the new FAR 13 procedure is slated for September 1, 2025.

Primary Objective: Integrate FAR Part 13 requirements into the GCOE internal procedures.

Purpose: Enhance compliance and efficiency while eliminating unnecessary burdens.

Applicability:

- FAR 15 from **\$10K to \$250K**
- FAR 12 from **\$10K to \$7.5M** (IAW FAR 13.5)

SAT TIGER Team Actions:

Update the GPM to incorporate FAR Part 13 requirements
 Create a FAR 13 Fair and Reasonable Price Analysis form
 Conduct Training Sessions & Provide ongoing support

Impact of New FAR Part 13 Internal Procedure:

75% of packages submitted to Compliance for audit review will be affected by this change implementation.

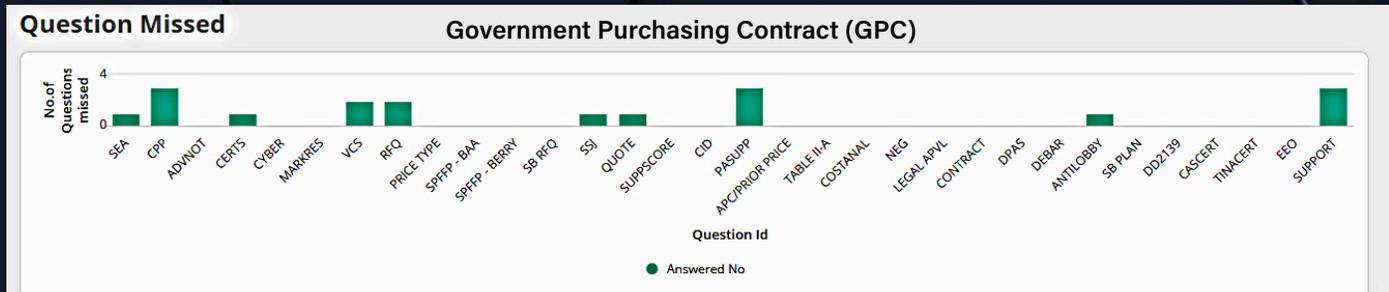
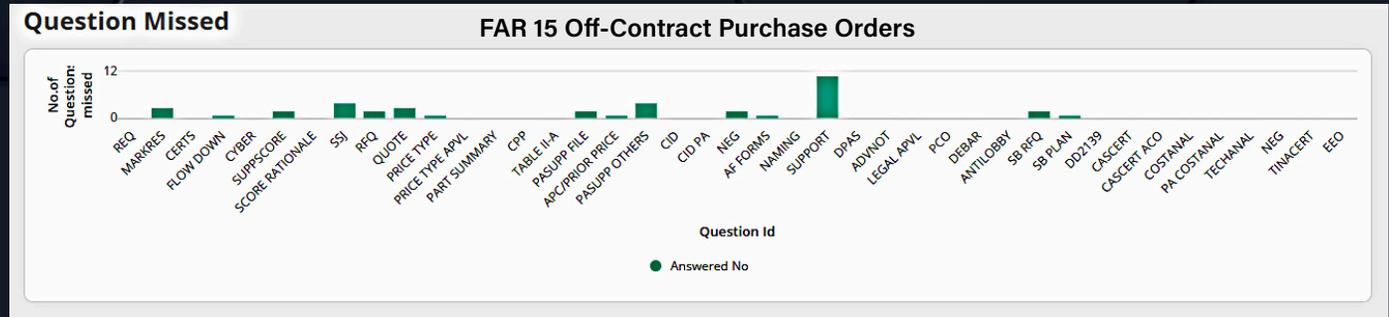
Objectives of the Changes:

- Streamline the process for lower-value contracting actions
- Improve First Pass Yield (FPY)
- Enhance IPASS Score
- Reduce Turnaround Time (TAT) by approximately 7-10 days

Audits Completed YTD 2025



IPass Assessment Trends



IPASS Assessment Key Drivers

The IPASS Assessment Trends training held on August 7, 2025 was developed to help participants understand the frameworks and methodologies utilized in IPASS. This initiative aims to provide a monthly analysis of trends identified through EPACT.

During the training, a detailed overview of the IPASS assessment results was presented, highlighting several critical documentation components:

- **Supporting Documentation:** Essential documents that provide the foundation for procurement decisions.
- **Quotes:** Valid documentation on relevant quotes and pricing data that influence purchasing strategies.
- **Market Research:** Insights into market research activities that assists in understanding procurement trends and dynamics.
- **Price Analysis:** Examination of price analysis approaches that can guide negotiations and procurement strategies.
- **Single/Sole Source Justifications:** Overview of criteria and best practices for justifying single or sole-source procurements.

The training also highlighted several key resources vital for navigating procurement:

- **IPASS Assessment for comprehensive PO documentation file submission guidelines:** <https://appian-hic.honeywell.com/suite/sites/ipass>
- **Gold Standard Library:** Available training materials to enhance understanding of procurement processes.
- **GPM: Reference materials related to Honeywell FAR 15 Government Purchasing Manual:** <https://honeywellprod.sharepoint.com/teams/aeroprocescentral/Current/GPM.pdf>
- **Federal Acquisition Regulation: Key regulatory resources accessible at [Acquisition.Gov].**
- **Process Central:** A centralized repository for procedural documents and guidelines.

The recent training provided us with a wealth of valuable insights and resources. Through these, we reaffirm our unwavering dedication to refining our procurement processes.

By centering our efforts on informed decision-making and the adoption of best practices, we are committed to driving continuous improvement and achieving excellence across all functions.

Performance Metrics



First Pass Yield

During Q2 2025, the Procurement Integrity Team reviewed a total of 303 Government Purchase Order and Contract Files for Government Awards. The visual comparison highlights the improvement between Q1 2025 and Q2 2025 in terms of First Pass Yield and Average IPASS Scores:

First Pass Yield (%):

Increased from 36.36% in Q1 2025 to 53.47% in Q2 2025, showing a significant improvement of 17.11%.

IPASS Scores:

Improved slightly from 97.04 in Q1 2025 to 97.91 in Q2 2025, reflecting an enhancement of 0.87.

Q1 2025

TAT for Initial Audit (In Days)	Total TAT (In Days)	First Pass Yield (FPY)%	Average IPASS score
3 D 23 Hr 18 Min	8 D 08 Hr 03 Min	36.36%	97.04

Q2 2025

TAT for Initial Audit (In Days)	Total TAT (In Days)	First Pass Yield (FPY)%	Average IPASS score
4 D 12 Hr 11 Min	7 D 22 Hr 35 Min	53.47%	97.91

Congratulations to the Procurement and Sourcing Leaders listed below for achieving the top three First Pass Yield (FPY) scores in Q2 2025 based on completed audits of Government Purchase Orders and Contract files.

- ★ Nestor Sosa
- ★ Victor Lopez
- ★ Saul Medina

Small Business Updates



Small Business Exemption Requirements

A significant update now exempts Small Business suppliers from completing the **AF-1287** Exception Letter for Purchase Order (PO) releases.

This change eases administrative burdens and streamlines compliance, benefiting Honeywell Aerospace Technologies through improved collaboration with Small Business partners while adhering to federal regulations.

DOD Comprehensive Test Program

In addition, Honeywell Aerospace Technologies is developing the GFY 2026 DOD Comprehensive Subcontracting Plan Test Program under DFARS 252.219-7004. This plan covers existing DOD contract activities and future contract awards within the Aerospace Technologies Strategic Business Unit (SBU), requiring annual re-negotiation for proper coverage.

The Integrated Supply Chain (ISC) compliance updates will soon reflect these changes in the PO checklist. The GFY 2026 draft is being processed and will undergo review before approval from the DOD Office of Small Business Programs (OSBP) and the DCMA Contract Services Program (CSP) office. Stay tuned for more updates on enhancing our compliance and collaboration with Small Business partners.

Small Business Liaison Officer

Melissa Audain, our Small Business Liaison Officer (SBLO), is committed to ensuring 100% completion of all reports by their deadlines. For inquiries related to small business matters, please contact us at smallbusinessprograminbox@honeywell.com.

Supplier Responsibility

We are pleased to announce that Justin Phillips is joining the Supplier Responsibility team as the new Lead Compliance Officer, transitioning from the DDCOE team. In his new role, Justin will oversee compliance with the Federal Acquisition Regulation (FAR) for all Supplier Responsibility tasks and procedures.

Certs and Reqs Campaign

Additionally, Marreon Stokes will act as the primary contact for all initiatives related to Certifications and Representations (Certs & Reqs). This is an important step as we gear up for the upcoming Certs & Reqs Campaign for the 2025-2026 cycle, ensuring our vendors are fully compliant and prepared.

For inquiries related to supplier responsibility, please contact us at supplierresponsibility@honeywell.com.



Supplier Contributions

AP-1814 and Training Initiatives

We are pleased to announce that Honeywell leadership has partnered with the Supplier Contributions team to review and enhance the recent updates to the AP-1814 procedure documentation. This initiative aims to keep our documentation current and relevant while ensuring comprehensive training for key departments and client stakeholders.

Maintaining compliance with U.S. government regulations, including the Anti-Kickback Act, the Truth in Negotiations Act (TINA), and the Cost Accounting Standards (CAS), is paramount. By October 2025, we anticipate sharing detailed updates regarding new training materials and procedural improvements.

This commitment reflects our dedication to upholding high standards of compliance and operational excellence. Thank you for your continued support as we implement these essential changes!



Sourcing Command Media Council

We are thrilled to introduce the Sourcing Command Media Council Dropbox—your new exciting hub for fostering collaboration between our Commercial and Government Sourcing & Procurement teams! Our mission is to innovate and refresh key resources like APOLs, the Government Purchasing Manual (GPM), along with vital documents such as AFs, APs, and AGs.

We're on the lookout for your ideas and insight to keep our policies and procedures cutting-edge! Have a suggestion? Share it with us through our platform - we want to hear from you.

And if you haven't yet set up the Sourcing Command Media Council Dropbox as a Teams channel, dive into the instructions below and join us! Let's inspire change together!

Ready to dive in? Click the link below to access the Microsoft Teams site! Here, you can easily request permission and add this valuable resource to your Teams list:

Join the Microsoft Teams Site:

<https://teams.microsoft.com/l/channel/19%3af671556cea6f494cbb5c26686c43b957%40thread.skype/General?groupId=90ebd21e-1f41-41e3-a922-909e7ffb85c2&tenantId=96ece526-9c7d-48b0-8daf-8b93c90a5d18>.

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