

SECTION D-SPECIAL PROCEDURES

CHAPTER 1-SALE OF AIRCRAFT

1-1. PURPOSE. Establish procedures for sale of Civil Air Patrol aircraft.

1-2. PROCEDURES.

a. Sales are initially conducted via sealed bid or electronic auction. No employee, officer, or agent shall participate in the selection, award, or administration of a sale if a real or apparent conflict of interest would be involved. Such a conflict would arise when the employee, officer, or agent, any member of his or her immediate family, his or her partner, or an organization which employs or is about to employ any of the parties indicated herein, has a financial or other interest in the firm or person selected for an award. The officers, employees, and agents of CAP shall neither solicit nor accept gratuities, favors, or anything of monetary value from prospective or actual buyers. Also refer to CAPR 67-1 for a list of prohibited buyers.

b. There is no written solicitation. Sales are either publicized in at least two major trade magazines, i.e., Trade-A-Plane, Aero Trader, etc., or a broad-based electronic auction site and on the CAP website.

c. Sales conducted through magazine advertising shall comply with the following:

1) The Contracting Specialist or person conducting the sale coordinates ad placement with the Chief, Aircraft Management.

2) Advertisement includes the following:

a) Time, place and date sealed bids will be opened. Allow sufficient time between expected appearance of the ad and bid opening.

b) A description of the aircraft to include make, model, year, hours, etc.

c) The phrase "All aircraft sold 'as is, where is' no expressed or implied warranties arising from statements in the aircraft and engine log books."

d) A minimum bid amount.

e) A five percent deposit required in a cashiers check, certified check or money order made payable to Civil Air Patrol. The balance is required in the same form.

f) Successful offeror has 30 days (a lesser number of days may be specified) to satisfy the bid balance or forfeit the deposit or the difference between their bid and the next low bidder, whichever is less.

g) If two or more bids are equal, selecting the earliest bid received breaks the tie.

h) Bid openings are open to the public.

i) Late hand carried bids are not accepted.

d. Award is made to the highest responsive bidder at or above the minimum bid.

e. Late bids received via USPS, FedEx, UPS, etc., are analyzed to determine if they were sent in sufficient time. Consultation with the delivery agent to determine sufficient time is recommended.

f. Notify unsuccessful bidders immediately but hold deposits in FM until awardee furnishes balance.

g. Prepare an Aircraft Sales Agreement (Tab 1) prior to bid opening and, if the successful bidder attends the opening, finalize the agreement and obtain signatures. Otherwise, mail the agreement.

h. Sales conducted through an electronic auction site will follow the rules of that site, provided that the listing shall include at least items c.2) a)-d) and j) above. In addition, a modified Aircraft Sales Agreement is prepared and executed by the parties.

i. If no bids are received, the sale is negotiated.

1) Run advertisement as above, eliminating references to public bid opening, minimum bid and deposit.

2) Review offers with LGM and determine course of action.

1-3. RESPONSIBILITIES. Contracting or appropriate wing personnel conduct sales.

1-4. CONTROL. The Director, Logistics or wing commander, as appropriate, approve sales actions.

**CIVIL AIR PATROL
AIRCRAFT SALES AGREEMENT**

CAP-(FY)-S(XXX)

This Agreement, entered into on *(insert date)* for the sale of the aircraft listed below, is by and between Civil Air Patrol, hereinafter referred to as "Seller" and *(insert buyer name)*, hereinafter referred to as "Buyer."

Notwithstanding any laws, rules or regulations to the contrary, Seller offers no warranties, expressed or implied, of any kind.

Aircraft sold as is, where is. Buyer takes possession at aircraft location and is responsible for all aircraft movement after that, including any costs associated with that movement.

Buyer agrees to make payment by cashiers check, certified check or money order in the amount specified in United States currency within *(insert days)* days from *(insert date)*. If payment is not made, Buyer forfeits entire deposit or difference between bid amount and next highest, responsive bid, whichever is less. Bid responsiveness is determined solely by the Seller.

Seller will provide all necessary documents at the time of payment.

Seller is responsible for removal of all CAP markings prior to sale.

SALE AMOUNT: \$

DESCRIPTION OF AIRCRAFT:

BUYER SIGNATURE

SELLER SIGNATURE

PRINTED NAME

PRINTED NAME

ADDRESS

ADDRESS

CITY, STATE, ZIP

CITY, STATE, ZIP

TELEPHONE

TELEPHONE

CHAPTER 2-SALE OF VEHICLES

2-1. PURPOSE. Establish procedures for outright sale of Civil Air Patrol vehicles.

2-2. PROCEDURES.

a. Sales are conducted via sealed bid or electronic auction. No employee, officer, or agent shall participate in the selection, award, or administration of a sale if a real or apparent conflict of interest would be involved. Such a conflict would arise when the employee, officer, or agent, any member of his or her immediate family, his or her partner, or an organization which employs or is about to employ any of the parties indicated herein, has a financial or other interest in the firm or person selected for an award. The officers, employees, and agents of CAP shall neither solicit nor accept gratuities, favors, or anything of monetary value from prospective or actual buyers. Also refer to CAPR 67-1 for a list of prohibited buyers.

b. There is no written solicitation. Sales are publicized in local newspapers or on a broad-based electronic auction site and on the CAP website.

c. Sales conducted through newspaper advertising shall comply with the following:

1) The Contracting Specialist or person conducting the sale coordinates ad placement with the Chief, Transportation Management.

2) Advertisement is constructed in accordance with standard commercial practice and includes the following:

a) No warranties, expressed or implied.

b) A minimum bid amount.

c) A five percent deposit required in a cashiers check, certified check or money order made payable to Civil Air Patrol. (The balance is required in the same form.)

d) Time, place and date sealed bids will be opened. (Allow sufficient time between expected appearance of the ad and bid opening.)

e) If two or more bids are equal, selecting the earliest bid received breaks the tie.

f) Bid openings are open to the public.

g) Late hand carried bids are not accepted.

d. Award is made to the highest responsive bidder at or above the minimum bid.

e. Late bids received via USPS, FedEx, UPS, etc., are analyzed to determine if they were sent in sufficient time. Consultation with the delivery agent to determine sufficient time is recommended.

f. Notify unsuccessful bidders immediately but hold deposits in FM until awardee furnishes balance.

g. Prepare a Vehicle Sales Agreement (Tab 1) prior to bid opening and, if the successful bidder is available, finalize the agreement and obtain signatures. Otherwise, mail the agreement.

h. Sales conducted through an electronic auction site will follow the rules of that site, provided that the listing shall include at least items c.2) a), b) and h) above. In addition, a modified Vehicle Sales Agreement is prepared and executed by the parties.

i. If no bids are received, the sale is negotiated.

1) Run advertisement as above, eliminating references to public bid opening, minimum bid and deposit.

2) Review offers with LGT and determine course of action.

2-3. RESPONSIBILITIES. Contracting or appropriate wing personnel conduct sales.

2-4. CONTROL. The Director, Logistics or wing commander, as appropriate, approve sales actions.

**CIVIL AIR PATROL
VEHICLE SALES AGREEMENT**

CAP-(FY)-S(XXX)

This Agreement, entered into on *(insert date)* for the sale of the vehicle(s) listed below, is by and between Civil Air Patrol, hereinafter referred to as "Seller" and *(insert buyer name)*, hereinafter referred to as "Buyer".

Notwithstanding any laws, rules or regulations to the contrary, Seller offers no warranties, expressed or implied, of any kind.

Vehicle(s) sold as is, where is. Buyer takes possession at vehicle location and is responsible for all vehicle movement after that, including any costs associated with that movement.

Buyer agrees to make payment by cashiers check, certified check or money order in the amount specified in United States currency within *(insert days)* days from *(insert date)*. If payment is not made, Buyer forfeits entire deposit or difference between bid amount and next highest, responsive bid, whichever is less. Bid responsiveness is determined solely by the Seller.

Seller will provide all necessary documents at the time of payment.

Seller is responsible for removal of all CAP markings prior to sale.

SALE AMOUNT: \$

DESCRIPTION OF VEHICLE(s):

BUYER SIGNATURE

SELLER SIGNATURE

PRINTED NAME

PRINTED NAME

ADDRESS

ADDRESS

CITY, STATE, ZIP

CITY, STATE, ZIP

TELEPHONE

TELEPHONE

CHAPTER 3-SALE OF ASSETS

3-1. PURPOSE. Establish procedures for outright sale of Civil Air Patrol assets.

3-2. PROCEDURES.

a. Sales are initially conducted via sealed bid or electronic auction. . No employee, officer, or agent shall participate in the selection, award, or administration of a sale if a real or apparent conflict of interest would be involved. Such a conflict would arise when the employee, officer, or agent, any member of his or her immediate family, his or her partner, or an organization which employs or is about to employ any of the parties indicated herein, has a financial or other interest in the firm or person selected for an award. The officers, employees, and agents of CAP shall neither solicit nor accept gratuities, favors, or anything of monetary value from prospective or actual buyers. Also refer to CAPR 67-1 for a list of prohibited buyers.

b. There is no written solicitation. Sales are publicized in local newspapers or on a broad-based electronic auction site and on the CAP website.

c. Sales conducted through newspaper advertising shall comply with the following:

1) The Contracting Specialist or person conducting the sale coordinates ad placement with the Chief of the branch managing the asset.

2) The Chief of the branch managing the asset places advertisements.

3) Advertisement is constructed in accordance with standard commercial practice and includes the following:

a) No warranties, expressed or implied.

b) A minimum bid amount.

c) A five percent deposit required in a cashiers check, certified check or money order made payable to Civil Air Patrol. (The balance is required in the same form.)

d) Time, place and date sealed bids will be opened. (Allow sufficient time between expected appearance of the ad and bid opening.)

e) If two or more bids are equal, selecting the earliest bid received breaks the tie.

f) Bid openings are open to the public.

g) Late hand carried bids are not accepted.

d. Award is made to the highest responsive bidder at or above the minimum bid.

e. Late bids received via USPS, FedEx, UPS, etc., are analyzed to determine if they were sent in sufficient time. Consultation with the delivery agent to determine sufficient time is recommended.

f. Notify unsuccessful bidders immediately but hold deposits in FM until awardee furnishes balance.

g. Prepare a Sales Agreement (Tab 1) prior to bid opening and, if the successful bidder is available, finalize the agreement and obtain signatures. Otherwise, mail the agreement.

h. Sales conducted through an electronic auction site will follow the rules of that site, provided that the listing shall include at least items c.3) a), b) and h) above. In addition, a modified Sales Agreement is prepared and executed by the parties.

i. If no bids are received, the sale is negotiated.

1) Run advertisement as above, eliminating references to public bid opening, minimum bid and deposit.

2) Review offers with asset manager and determine course of action.

3-3. RESPONSIBILITIES. Contracting or appropriate wing personnel conducts sales.

3-4. CONTROL. The Director, Logistics or wing commander, as appropriate, approve sales actions.

**CIVIL AIR PATROL
SALES AGREEMENT**

CAP-(FY)-S(XXX)

This Agreement, entered into on *(insert date)* for the sale of the asset(s) listed below, is by and between Civil Air Patrol, hereinafter referred to as "Seller" and *(insert buyer name)*, hereinafter referred to as "Buyer".

Notwithstanding any laws, rules or regulations to the contrary, Seller offers no warranties, expressed or implied, of any kind.

Asset(s) sold as is, where is. Buyer takes possession at asset location and is responsible for all movement after that, including any costs associated with that movement.

Buyer agrees to make payment by cashiers check, certified check or money order in the amount specified in United States currency within *(insert days)* days from *(insert date)*. If payment is not made, Buyer forfeits entire deposit or difference between bid amount and next highest, responsive bid, whichever is less. Bid responsiveness is determined solely by the Seller.

Seller will provide all necessary documents at the time of payment.

Seller is responsible for removal of all CAP markings prior to sale.

SALE AMOUNT: \$

DESCRIPTION OF ASSET(s):

BUYER SIGNATURE

SELLER SIGNATURE

PRINTED NAME

PRINTED NAME

ADDRESS

ADDRESS

CITY, STATE, ZIP

CITY, STATE, ZIP

TELEPHONE

TELEPHONE

CHAPTER 4–HOTEL BOOKINGS

4-1. PURPOSE. Establish procedures for booking hotels for CAP sponsored National events.

4-2. PROCEDURES.

a. CAP directors, Chief Information Officer, Chief Financial Officer and General Counsel or authorized representatives negotiate contracts for hotels and related services in support of CAP sponsored National events.

b. No employee, officer, or agent shall participate in the selection, award, or administration of a contract if a real or apparent conflict of interest would be involved. Such a conflict would arise when the employee, officer, or agent, any member of his or her immediate family, his or her partner, or an organization which employs or is about to employ any of the parties indicated herein, has a financial or other interest in the hotel selected for an award. The officers, employees, and agents of CAP shall neither solicit nor accept gratuities, favors, or anything of monetary value from contractors.

c. Related services include catering, floral arrangements, and other special services provided by the hotel.

d. Contracts are competed to the maximum extent practical given such factors as available facilities within the geographic location.

e. Contracts are submitted to LGC and GC for review prior to signature.

f. The requestor prepares a purchase request for contracts requiring direct payment to the hotel. Contracting prepares a purchase order incorporating the hotel contract.

4-3. RESPONSIBILITIES. Directors, Chief Information Officer, Chief Financial Officer and General Counsel are responsible for hotel bookings, ensuring funds are available and obtaining required reviews.

4-4. CONTROL. Contracting and General Council review contracts for compliance.

CHAPTER 5-FACILITIES PROJECTS

5-1. PURPOSE. Establish procedures for facilities projects.

5-2. PROCEDURES.

a. Definitions.

- 1) Facilities Projects/Construction: New building or renovation of real property, whether owned or leased.
- 2) Owner: Civil Air Patrol
- 3) A-E: Architect – Engineer firms that design, bid and manage projects.
- 4) Fee: The amount charged by the A-E for services; normally expressed as a percentage of the estimated total cost of the project.
- 5) Project File: A folder or binder in which all documents related to the project are filed.
- 6) Additive Items: Desired project features for which funding is uncertain.
- 7) Deductive Items: Prioritized list of bid items to be deducted from the project if sufficient funds are not available.
- 8) Commander: Region/wing commander or designated representative.
- 9) Standards of Conduct: No employee, officer, or agent shall participate in the selection, award, or administration of a contract supported by Federal funds if a real or apparent conflict of interest would be involved. Such a conflict would arise when the employee, officer, or agent, any member of his or her immediate family, his or her partner, or an organization which employs or is about to employ any of the parties indicated herein, has a financial or other interest in the firm selected for an award.

b. The commander obtains National Executive Committee (NEC) approval for facility projects estimated to exceed \$25,000 prior to beginning the process. The NEC may seek Board of Governors/National Board approval if deemed appropriate. Among elements subject to review are:

- 1) Availability of funds.
- 2) Fund raising promotional materials are accurate, truthful and comply with the law.
- 3) Construction budget is reasonable and realistic.
- 4) Cost/benefit analysis, i.e., a \$1.0 million project on land leased for five years with structures reverting to landowner would likely not pass scrutiny.
- 5) CAP personnel responsible for project management are committed, qualified and competent and either have sufficiently qualified volunteers (not associated with either the A-E or construction contractor) to design and manage the project or are supplemented by an A-E contractor.
- 6) Funds are available for recurring facility maintenance.

c. Selecting A-E firm.

- 1) The commander or designee contacts at least three firms capable of designing, bidding and managing the project.
 - a) CAP members or their firms need not be excluded from selection process. They cannot receive favorable treatment. They cannot be the commander.
 - b) Use local Chamber of Commerce, Yellow Pages or other means to identify firms.
- 2) Prepare a short summary of the project, including purpose, estimated cost, approximate dimensions, amenities, etc. Include plans of facilities undergoing renovation. Deliver them to the selected firms for review.
- 3) The commander or designee interviews each firm to determine their capabilities.
 - a) Get written references from owners of similar projects.
 - b) Get fee.
- 4) After checking references, the commander selects the firm best suited to the project.
- 5) All actions are documented in writing and retained in project file.

d. Awarding a contract.

- 1) Have A-E prepare the contract. The American Institute of Architects AIA document B151 is suitable for this purpose. It must include:
 - a) Fee and payment schedule.
 - b) Completion time for design.
 - c) Architect-Engineer Clauses at Tab 1.

- d) Responsibilities of the parties.
 - e) Scope of A-E basic services.
 - f) Owner responsibilities.
 - g) Provisions covering disputes, terminations, etc.
- 2) Obtain signatures. Must be signed by a corporate officer for CAP.
 - 3) Submit the contract to NHQ CAP/LGC for contract and legal review.
- e. Funding.
- 1) The source of funding for construction projects is critical. Projects containing \$2,000 or more of appropriated funds must include the Davis-Bacon Act. Appropriated funds are those monies derived from the federal government regardless of how they were obtained. Consult with NHQ CAP/LGC if project has federal funds.
 - 2) Projects containing state or local funds may also have restrictions. The A-E can determine what, if any, state or local restrictions exist.
 - 3) Do not award contracts for more than the actual amount of funds available at the time of award.
 - a) If full project funding is not available, use Additive/Deductive items. Tab 2 contains the necessary language.
 - b) Include a provision allowing the Owner to add Additive/Deductive items to the contract should additional funding become available after contract award. This authority should expire at or near but not after contract completion.
 - 4) The commander is responsible for timely payment of all obligations.
- f. Bonding.
- 1) The inclusion of a requirement for Bid, Payment and Performance Bonds in construction projects is highly recommended. Consult with A-E on whether to include bonding.
 - 2) A Bid Bond is required to be submitted by the bidder with their bid. It guarantees the bidder will obtain Payment and Performance Bonds if selected for award. The Bond is forfeited if the bidder fails to secure the required bonds.
 - 3) Payment Bond guarantees payment to workers, subcontractors and suppliers. It protects the Owner from liens in the event of nonpayment by the contractor.
 - 4) Performance Bond guarantees contractor performance. In the event of Default, the bonding company takes over and finishes the project.
- g. Contract Administration.
- 1) The commander or designee administers the contract with the A-E firm. The A-E firm awards and administers the construction contract on behalf of CAP. Retain copies of both contracts, including changes, in the project file.
 - 2) The commander should view the project site and consult with the A-E prior to approving progress payments for the contractor. Prepare a memo of the inspection and the A-E consult and place them in the project file.
 - 3) Prepare and file other memos as required to document important contractual events, i.e. meetings, negotiations, etc.
 - 4) File a copy of all contract related correspondence in the project file.

5-3. RESPONSIBILITIES. The commander is responsible for insuring Construction Projects comply with this regulation.

5-4. CONTROL. NHQ CAP/LGC reviews A-E contracts. The commander exercises management over construction projects.

ARCHITECT-ENGINEER CLAUSES

Liability for Costs Resulting From Design Errors or Deficiencies. Architect-engineer shall be responsible for the professional quality, technical accuracy, and coordination of all services required under their contracts. A firm may be liable for costs resulting from errors or deficiencies in designs furnished under this contract. Therefore, when a modification to a construction contract is required because of an error or deficiency in the services provided under an architect-engineer contract, CAP shall consider the extent to which the architect-engineer contractor may be reasonably liable. CAP shall enforce the liability and collect the amount due, if the recoverable cost will exceed the administrative cost involved or is otherwise in CAP's interest.

Design Within Funding Limitations.

(a) The architect-engineer shall design the project so that construction costs will not exceed a contractually specified dollar limit (funding limitation). If the price of construction proposed in response to a solicitation exceeds the construction funding limitation in the architect-engineer contract, the firm shall be solely responsible for redesigning the project within the funding limitation. These additional services shall be performed at no increase in the price of this contract. However, if the cost of proposed construction is affected by events beyond the firm's reasonable control (e.g., if there is an increase in material costs which could not have been anticipated, or an undue delay by CAP in issuing a construction solicitation), the firm shall not be obligated to redesign at no cost to CAP.

(b) The amount of the construction funding limitation is established during negotiations between the contractor and CAP. This estimated construction contract price shall take into account any statutory or other limitations and exclude any allowances for CAP supervision and overhead and any amounts set aside by CAP for contingencies. In negotiating the amount, CAP will make available to the contractor the information upon which CAP has based its initial construction estimate and any subsequently acquired information that may affect the construction costs.

Redesign Responsibility for Design Errors or Deficiencies. The architect-engineer shall be required to make necessary corrections at no cost to CAP when the designs, drawings, specifications, or other items or services furnished contain any errors, deficiencies, or inadequacies.

ADDITIVE/DEDUCTIVE ITEMS PROVISION

- (a) The low offeror and the items to be awarded shall be determined as follows-
- (1) Prior to the opening of bids, the Owner will determine the amount of fund available for the project.
 - (2) The low offeror shall be the Offeror that-
 - (i) Is otherwise eligible for award; and
 - (ii) Offers the lowest aggregate amount for the first or base bid item, plus or minus (in the order stated in the list of priorities in the bid schedule) those additive or deductive items that provide the most features within the funds determined available.
 - (3) The Owner shall evaluate all bids on the basis of the same additive or deductive items.
 - (i) If adding another item from the bid schedule list of priorities would make the award exceed the available funds for all offerors, the Owner will skip that item and go to the next item from the bid schedule of priorities; and
 - (ii) Add that next item if an award may be made that includes that item and is within the available funds.
- (b) The Owner will use the list of priorities in the bid schedule only to determine the low offeror. After determining the low offeror, an award may be made on any combination of items if-
- (1) It is in the best interest of the Owner;
 - (2) Funds are available at the time of award; and
 - (3) The low offeror's price for the combination to be awarded is less than the price offered by any other responsive, responsible offeror.
- (c) **Example.** The amount available is \$100,000. Offeror A's base bid and four additives (in the order stated in the list of priorities in the bid Schedule) are \$85,000, \$10,000, \$8,000, \$6,000, and \$4,000. Offeror B's base bid and four additives are \$80,000, \$16,000, \$9,000, \$7,000, and \$4,000. Offeror A is the low offeror. The aggregate amount of offeror A's bid for purposes of award would be \$99,000, which includes a base bid plus the first and fourth additives. The second and third additives were skipped because each of them would cause the aggregate bid to exceed \$100,000.

SECTION E–CORPORATE FUNDED PURCHASES

1-1. PURPOSE. This regulation establishes policies and procedures for National Headquarters corporate funded purchase of non-resale items.

1-2. PROCEDURES.

a. Definitions.

1) Corporate Funds: Money generated by corporate activities. Excludes funds added to the cooperative Agreement by the government.

2) Vendors: Commercial businesses who supply or may supply products or services; also referred to as bidders, contractors or offerors.

3) Non-Resale Items: Products/services purchased for use by CAP.

4) Resale Items: Products/services purchased with the sole intent to market them for sale, usually for a profit.

b. Responsibilities.

1) Directors, Chief Information Officer, Chief Financial Officer, and General Counsel or their designees requisition corporate funded purchases through Navision.

2) Requisitions are processed according to the Business Rules established in Navision.

3) If Contracting executes the purchase, CAPR 70-1, Section A-D procedures apply except:

a) Preferred Vendor Program.

b) Clauses pertaining to Public Law.

4) If the requestor executes the purchase, they comply with established FM processes and the following:

a) Personnel interacting with vendors shall conduct themselves with the utmost integrity and refrain from any action that might discredit or embarrass the corporation.

b) No employee, officer, or agent shall participate in the selection, award, or administration of a contract supported by corporate funds if a real or apparent conflict of interest would be involved. Such a conflict would arise when the employee, officer, or agent, any member of his or her immediate family, his or her partner, or an organization which employs or is about to employ any of the parties indicated herein, has a financial or other interest in the firm selected for an award.

c) Directors, Chief Information Officer, Chief Financial Officer and General Counsel are responsible for purchases made by them or their designees.

d) Individuals making purchases:

1 Insure availability of funds prior to making the purchase.

2 Insure proper recording in corporate financial records.

3 Obtain required approvals prior to making the purchase.

e) Purchases are competed wherever possible.

f) Civil Air Patrol is not a government agency and is not entitled to use government contracts or solicit government pricing.

g) For lodging contracts, see Section D, Chapter 4.

h) For facility projects see Section D, Chapter 5.

1-3. RESPONSIBILITIES. Directors, Chief Information Officer, Chief Financial Officer and General Counsel are responsible for ensuring corporate funded purchases are properly executed.

1-4. CONTROL. The Executive Director exercises supervision over corporate funded purchases.