

CITY OF CHICO - PROFESSIONAL SERVICES AGREEMENT

Voltaire Aviation Consulting Inc.
Consultant

Chico Municipal Airport Air Service Development
Project Title

856-691-5400
Budget Account Number

TABLE OF CONTENTS

<u>Section/Title</u>	<u>Page No.</u>
SECTION 1 - DESCRIPTION OF PROJECT	2
SECTION 2 - SCOPE OF PROFESSIONAL SERVICES - BASIC; COMPLETION SCHEDULE	2
SECTION 3 - SCOPE OF PROFESSIONAL SERVICES - ADDITIONAL; COMPLETION SCHEDULE	2
SECTION 4 - COMPENSATION	3
SECTION 5 - RESPONSIBILITY OF CONSULTANT	3
SECTION 6 - RESPONSIBILITY OF CITY	3
SECTION 7 - INDEMNIFICATION	4
SECTION 8 - INSURANCE	5
SECTION 9 - GENERAL PROVISIONS	5
9.1 - Access to Records	5
9.2 - Assignment	5
9.3 - Changes to Scope of Services - Basic Professional Services	5
9.4 - Compliance with Laws, Rules, Regulations	5
9.5 - Conflict of Interest Code Applicability	5
9.6 - Exhibits Incorporated	6

9.7 - Independent Contractor6

9.8 - Integration; Amendment.....6

9.9 - Jurisdiction6

9.10 - Notice to Proceed; Progress; Completion6

9.11 - Ownership of Documents6

9.12 - Subcontracts6

9.13 - Term; Termination7

9.14 - Notice7

SECTION 10 - SPECIAL PROVISIONS7

THIS PROFESSIONAL SERVICES AGREEMENT (Agreement) is entered into on *October 29, 2021*, between the City of Chico, a municipal corporation under the laws of the State of California, (City) and Volaire Aviation Consulting, Inc., a State of Indiana Corporation (Consultant).

SECTION 1 - DESCRIPTION OF PROJECT

City desires to undertake that certain project (Project) described in EXHIBIT A, entitled “DESCRIPTION OF PROJECT,” and to engage Consultant to provide the required professional services relating to the Project.

SECTION 2 - SCOPE OF PROFESSIONAL SERVICES - BASIC; COMPLETION SCHEDULE

Consultant shall perform those basic professional services in connection with the Project as are set forth more particularly in EXHIBIT B, entitled “SCOPE OF PROFESSIONAL SERVICES - BASIC; COMPLETION SCHEDULE,” and shall complete said professional services in accordance with the completion schedule for professional services as incorporated in EXHIBIT B.

SECTION 3 - SCOPE OF PROFESSIONAL SERVICES - ADDITIONAL; COMPLETION SCHEDULE

City and Consultant agree that it may be necessary, in connection with the Project, for Consultant to perform or secure the performance of professional services other than those set forth in EXHIBIT B. In each such instance, Consultant shall advise City, in advance and in writing, of the need for such additional professional services, their cost and the estimated time, if appropriate, required to perform them. Consultant shall not proceed to perform any such required additional professional service until City has determined that such professional service is beyond the scope of the basic professional service to be provided, is required, and has given its written

authorization to perform or obtain it. Each additional professional service so authorized shall constitute an amendment to this Agreement, shall be identified and sequentially numbered as "Amendment No. 1" and so forth, shall be subject to all of the provisions of this Agreement, and shall be incorporated into EXHIBIT B accordingly.

SECTION 4 - COMPENSATION

Consultant shall be compensated for professional services rendered to City pursuant to this Agreement periodically in the amounts, manner and in accordance with the payment schedule as set forth in EXHIBIT C, entitled "COMPENSATION." Amounts due to Consultant from City for professional service rendered shall be evidenced by the submission to City by Consultant of an invoice, prepared in a form satisfactory to City, setting forth the amount of compensation due for the period covered by it. Each such invoice shall be forwarded to City so as to reach it on or before the 15th day of the month next following the month or months, or other applicable period, for which the professional service invoiced were provided. All such invoices shall be in full accord with any and all applicable provisions of this Agreement. City will make payment on each such invoice within 30 days of receipt of it. However, if Consultant submits an invoice which is incorrect, incomplete, or not in accord with the provisions of this Agreement, then City shall not be obligated to process any payment to Consultant until a correct and complying invoice has been submitted.

SECTION 5 - RESPONSIBILITY OF CONSULTANT

By executing this Agreement, Consultant warrants to City that Consultant possesses, or will arrange to secure from others, all of the necessary professional capabilities, experience, resources and facilities necessary to provide to City the professional services under this Agreement. In procuring the professional services of others to assist Consultant in performing the professional services set forth at EXHIBIT B or additional professional services under SECTION 3 of this Agreement, Consultant shall not employ or otherwise obtain the professional services of any person or entity known to Consultant or City to have, or be likely to develop during the term of this Agreement, an interest that is personally, or professionally, or financially adverse to any interest of City. Consultant will follow the best current, generally accepted professional practices in performing tests and procedures, making findings, rendering opinions, preparing factual presentations and providing professional advice and recommendations regarding professional services rendered under this Agreement.

SECTION 6 - RESPONSIBILITY OF CITY

To the extent appropriate to the Project contemplated by this Agreement, City shall:

6.1 Assist Consultant by placing at Consultant's disposal all available information pertinent to the Project, including previous reports and any other data relative to design and construction of the Project.

6.2 Guarantee access to and make all provisions for Consultant to enter upon public and private property as required for Consultant to perform Consultant's professional services.

6.3 Examine all studies, reports, sketches, drawings, specifications, proposals, and other documents prepared and presented by Consultant, and render verbally or in writing as may be appropriate, decisions pertaining thereto within a reasonable time so as not to delay the progress of the services by Consultant.

6.4 Designate in writing a person to act as City's representative with respect to the services to be performed under this Agreement. Such person shall have complete authority to transmit instructions, receive information, interpret and define City's policies and decisions with respect to materials, equipment, elements and systems pertinent to Consultant's professional services.

6.5 Give prompt written notice to Consultant whenever City observes or otherwise becomes aware of any defect in the Project.

6.6 Furnish approvals and permits from all governmental authorities having jurisdiction over the Project and such approvals and consents from others as may be necessary for completion of the Project.

SECTION 7 - INDEMNIFICATION

To the fullest extent permitted by law, Consultant shall defend (with counsel of City's choosing), indemnify and hold City, its officials, officers, employees, volunteers and agents free and harmless from any and all claims, demands, causes of action, costs, expenses, liability, loss, damage or injury of any kind, in law or equity, to property or persons, including wrongful death, in any manner arising out of, pertaining to, or incident to any alleged acts, errors or omissions, or willful misconduct of Consultant, its officials, officers, employees, subcontractors, consultants or agents in connection with Consultant's use of City premises under this Agreement, including without limitation the payment of all consequential damages, expert witness fees and attorneys' fees and other related costs and expenses. Consultant shall reimburse City and its officials, officers, employees, agents, and/or volunteers, for any and all legal expenses and costs incurred by each of them in connection therewith or in enforcing the indemnity herein provided.

Consultant/Subconsultant/Subcontractor's responsibility for such defense and indemnity obligations shall survive the termination or completion of this Agreement for the full period of time allowed by law.

The defense and indemnification obligations of this Agreement are undertaken in addition to, and shall not in any way be limited by, the insurance obligations contained in this Agreement. Consultant's obligation to indemnify shall not be restricted to insurance proceeds, if any, received by City, its directors, officials, officers, employees, agents, or volunteers.

Notwithstanding the above, Consultant's obligation to indemnify, defend and hold harmless the City, its officers, employees and agents for claims involving "Professional Liability" (claims involving acts, errors or omissions in the rendering of professional services) shall be limited to the extent caused by Consultant's negligent acts, errors or omissions.

SECTION 8 - INSURANCE

Any requirements by City that Consultant carry general liability, errors and omissions, or any other type of insurance in connection with the services to be performed and/or professional services to be rendered by Consultant pursuant to this Agreement shall be as set forth in EXHIBIT D, entitled "INSURANCE PROVISIONS."

SECTION 9 - GENERAL PROVISIONS

9.1 Access to Records

Consultant shall maintain all books, records, documents, accounting ledgers, and similar materials relating to services performed for City under this Agreement on file for at least four years following the date of final payment to Consultant by City. Any duly authorized representative(s) of City shall have access to such records for the purpose of inspection, audit and copying at reasonable times, during Consultant's usual and customary business hours. Consultant shall provide proper facilities to City's representative(s) for access and inspection. Consultant shall be entitled to reasonable compensation for time and expenses related to such access and inspection activities, which shall be considered to be an additional professional service to City, falling under the provisions of SECTION 3 of this Agreement.

9.2 Assignment

This Agreement is binding on the heirs, successors, and assigns of the parties hereto and shall not be assigned by either City or Consultant without the prior written consent of the other.

9.3 Changes to Scope of Services - Basic Professional Services

City may at any time, upon a minimum of 10 days written notice, modify the scope of basic professional services to be provided under this Agreement. Consultant shall, upon receipt of said notice, determine the impact on both time and compensation of such change in scope and notify City in writing. Upon agreement between City and Consultant as to the extent of said impacts to time and compensation, an amendment to this Agreement shall be prepared describing such changes. Execution of the amendment by City and Consultant shall constitute the Consultant's notice to proceed with the changed scope.

9.4 Compliance with Laws, Rules, Regulations

All professional services performed by Consultant pursuant to this Agreement shall be performed in accordance and full compliance with all applicable Federal, State, or City statutes, and any rules or regulations promulgated thereunder.

9.5 Conflict of Interest Code Applicability

If City's City Manager has determined that one or several of Consultant's Principal(s) or Project Manager(s) are subject to the provisions of Section 2R.04.180 of the Chico Municipal Code (the City's Conflict of Interest Code), then each such person will be required to comply with the provisions of said Code in connection with the professional services they render to the City under this Agreement. In such event, City's requirements are set forth in EXHIBIT E, entitled "CONFLICT OF INTEREST PROVISIONS," to this Agreement.

9.6 Exhibits Incorporated

All Exhibits attached to and referred to in this Agreement are hereby incorporated by this reference.

9.7 Independent Contractor

City and Consultant agree that the relationship between them created by this Agreement is that of an employer-independent contractor. Consultant shall be solely responsible for the conduct and control of the services performed under this Agreement. Consultant shall be free to render professional consulting services to others during the term of this Agreement, so long as such activities do not interfere with or diminish Consultant's ability to fulfill the obligations established herein to City.

9.8 Integration; Amendment

This Agreement represents the entire understanding of City and Consultant as to those matters contained herein. No prior oral or written understanding shall be of any force or effect with respect to those matters covered in it. This Agreement may not be modified or altered except by amendment in writing signed by both parties.

9.9 Jurisdiction

This Agreement shall be administered and interpreted under the laws of the State of California. Jurisdiction of litigation arising from this Agreement shall be in that state. If any part of this Agreement is found to be in conflict with applicable laws, such part shall be inoperative, null, and void insofar as it is in conflict with said laws, but the remainder of the Agreement shall continue to be in full force and effect.

9.10 Notice to Proceed; Progress; Completion

Upon execution of this Agreement by the parties, City shall give Consultant written notice to proceed with the services. Such notice may authorize Consultant to render all of the professional services contemplated herein, or such portions or phases as may be mutually agreed upon. In the latter event, City shall, in its sole discretion, issue subsequent notices from time to time regarding further portions or phases of the services. Upon receipt of such notices, Consultant shall diligently proceed with the services authorized and complete it within the agreed time period.

9.11 Ownership of Documents

Title to all documents, designs, drawings, specifications, and the like with respect to services performed under this Agreement shall vest with City at such time as City has compensated Consultant, as provided herein, for the professional services rendered by Consultant in connection with which they were prepared.

9.12 Subcontracts

Consultant shall be entitled, to the extent determined appropriate by Consultant, to subcontract any portion of the services to be performed under this Agreement. Consultant shall be responsible to City for the actions of persons and firms performing subcontract services.

The subcontracting of services by Consultant shall not relieve Consultant, in any manner, of the obligations and requirements imposed upon Consultant by this Agreement.

9.13 Term; Termination

The term of this Agreement shall commence upon City's issuance to Consultant of a notice to proceed for all or a portion of the services, as hereinabove provided, and shall end upon City's acceptance and payment for all or such portion of the services as was authorized by such notice, including any and all retentions. Notwithstanding the foregoing, City may, in its sole discretion, terminate this Agreement at any time and for any reason whatsoever by giving at least 10 days prior written notice of such termination to Consultant. In this latter event, Consultant shall be entitled to compensation for all professional service rendered and services performed for City to the date of such termination.

9.14 Notice

Any notices required to be given pursuant to this Agreement shall be deemed to have been given by their deposit, postage prepaid, in the United States Postal Service or, alternatively, by personal delivery or overnight courier service addressed to the parties as follows:

To City: Tom Bahr, Airport Manager
City of Chico
150 Airpark Blvd.
Chico, CA 95973

To Consultant: Kris Nichter, Executive Director
Volaire Aviation Consulting, Inc.
8500 E 116th St. Suite 728
Fishers, IN 46038

SECTION 10 - SPECIAL PROVISIONS

This Agreement shall include all special provisions, if any, as set forth in EXHIBIT F, entitled "SPECIAL PROVISIONS."

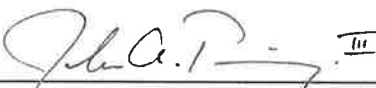
IN WITNESS WHEREOF, the parties hereto have executed this Agreement the date first set forth above.

CITY:



Mark Orme, City Manager*


CONSULTANT:



By: John A. Penning, III
Managing Partner, Volaire Aviation
Consulting

*Authorized pursuant to Section 3.08.060
of the Chico Municipal Code

APPROVED AS TO FORM:



Vincent C. Ewing, City Attorney*
O&M

*Pursuant to The Charter of the
City of Chico, Section 906(D)


REVIEWED AS TO CONTENT:



Scott Dowell, Administrative Services Director*

*Reviewed by Finance and Information Systems

APPROVED AS TO CONTENT:



Erik Gustafson, Public Works Director,

EXHIBIT A

DESCRIPTION OF PROJECT

Consultant shall provide professional services to develop an air service development program to help secure new commercial air service at the Chico Municipal Airport (CIC) located at 150 Airpark Blvd in Chico CA.

EXHIBIT B

SCOPE OF PROFESSIONAL SERVICES - BASIC; COMPLETION SCHEDULE

Scope of Professional Services - Basic

The Consultant shall provide professional services as follows:

TASK 1: REVENUE GUARANTEE MARKETING AND SUPPORT

1. Work with City Airport Staff and key community stakeholders to support efforts to raise funds for an airline service revenue guarantee.
2. Attend onsite presentations at the Chico Municipal Airport (CIC) or elsewhere in the City of Chico with key stakeholders to provide information and answer questions regarding the benefits of a potential revenue guarantee program.

TASK 2: AIRLINE HEADQUARTER MEETINGS

1. Assist Airport Staff in soliciting prospective airline service for the CIC by preparing presentation materials, and scheduling and attending meetings with major airline service carriers. Presentation will include specific demographic analysis of the Airport catchment area (if available), economic analysis of the market region, overview of historical and current airline market conditions, and specific business case analysis of proposed new service or expanded service. Following the meeting, Consultant will provide all follow-up information requested by the airline.
2. Primary prospective air service candidates include, but are not limited to, United Airlines (in Chicago), Alaska Airlines (in Seattle), American Airlines (in Dallas/Fort Worth), and/or SkyWest Airlines (in St. George, Utah).

TASK 3: INDUSTRY AIR SERVICE CONFERENCE SUPPORT

1. Prepare presentation materials for and attend the following key industry air service development conferences, and other conferences if requested by the City:
 - a. JumpStart Conference in Summer 2022
 - b. Takeoff Conference in Fall 2022.

TASK 4 OTHER AIR SERVICE DEVELOPMENT SUPPORT

Upon request by the City, provide additional support for other marketing and air service development initiatives.

Services to be Provided by City

If requested, the City shall provide the Consultant access to all available and relevant information needed to perform the Tasks listed herein

Completion Schedule

The Consultant shall complete the services outlined herein by November 30, 2023.

EXHIBIT C

COMPENSATION

Compensation for the services outlined herein shall be in accordance with the following hourly rates and the total maximum compensation shall not exceed **\$50,000.00**:

Staff Hourly \$250/hour

Compensation shall be based upon actual invoices received and shall be paid upon completion of the following Tasks. The compensation shall include all travel, administrative support, document preparation, and all other costs incurred by Consultant associated with performing each Task. Invoices shall identify persons performing the work by name and title listed above.

TASK 1:	REVENUE GUARANTEE SUPPORT	\$12,500
TASK 2:	AIRLINE HEADQUARTER MEETINGS	\$15,000
TASK 3:	CONFERENCE SUPPORT	\$10,000
TASK 4:	OTHER SUPPORT	\$12,500

EXHIBIT D

INSURANCE PROVISIONS

General Liability Insurance

Consultant shall obtain commercial general liability insurance (occurrence policy form) from one or more U.S. domiciled insurance companies licensed to do business in the State of California with an A.M. Best Company rating of "B" or better or, in the alternative, an unlicensed U.S. domiciled company or companies with an "A" rating, which provides coverage for bodily injury, personal injury and property damage liability in the amount of at least \$1,000,000 per occurrence, and \$2,000,000 in the aggregate, with a maximum policy deductible of \$5,000, or as approved by the City's Human Resources and Risk Management Office.

It shall be a requirement under this agreement that any available insurance proceeds broader than or in excess of the specific minimum Insurance coverage requirements and/or limits shall be available to the Additional Insured. Furthermore, the requirements for coverage and limits shall be (1) the minimum coverage and limits specified in this Agreement; or (2) the broader coverage and maximum limits of coverage of any Insurance policy or proceeds available to the named Insured, whichever is greater.

The insurance coverage required herein shall be evidenced by a certificate of insurance with policy endorsements and shall be executed by an authorized official of the insurer(s). In addition to the limits of coverage described above, the certificate of insurance shall provide that the insurer shall provide to City at least 30 days prior notice of cancellation or material change in coverage, or 10 days prior notice of cancellation for non-payment.

Consultant acknowledges and agrees that City of Chico, its officers, boards and commissions, and members thereof, its employees and agents, are covered as additional insureds with respect to any liability arising out of the activities of Consultant as the named insured. Such additional insured status shall be evidenced by a policy endorsement executed by an authorized official of the insurer(s). A blanket endorsement which provides additional insured status to any person or organization with whom Consultant, as named insured, has entered into a written contract, such as this Agreement, shall satisfy this requirement.

The insurance coverage required herein shall be primary and non-contributory insurance with respect to the City of Chico, its officers, officials and employees. Any insurance or self-insurance maintained by the City of Chico, its officers, officials or employees shall be in excess of the insurance afforded to the named insured by the insurance coverage required herein and shall not contribute to any loss. Such primary insurance status shall be evidenced by a policy endorsement issued by an authorized official of the insurer(s), and shall be at least as broad as CG 20 01 04 13. In the alternative, a letter issued by an authorized official of the insurer(s) and copies of the pertinent page(s) of the policy shall satisfy this requirement.

The limits of Insurance required in this agreement may be satisfied by a combination of primary and umbrella or excess Insurance. Any umbrella or excess Insurance shall contain or be endorsed to contain a provision that such coverage shall also apply on a primary and non-

contributory basis for the benefit of City of Chico (if agreed to in a written contract or agreement) before City of Chico's self-insurance shall be called upon to protect it as a named insured.

All self-insured retentions (SIR) must be disclosed to the City's Human Resources and Risk Management Office for approval and shall not reduce the limits of liability. Policies containing any (SIR) provision shall provide or be endorsed to provide that the SIR may be satisfied by either the named Insured or City of Chico. City of Chico reserves the right to obtain a full certified copy of any Insurance policy or endorsements. Failure to exercise this right shall not constitute a waiver of right to exercise later.

Automobile Liability Insurance

Consultant shall obtain automobile liability insurance from one or more U.S. domiciled insurance companies licensed to do business in the State of California with an A.M. Best Company rating of "B" or better which provides coverage for bodily injury, personal injury, and property damage liability in the amount of at least \$500,000 combined single limit for each occurrence. Evidence of such coverage shall be maintained by Consultant and provided to City upon request.

Subconsultant Insurance

Consultant agrees to include with all subconsultant in their subcontract the same requirements and provisions of this agreement including the indemnity and Insurance requirements to the extent they apply to the scope of the subconsultant work. Subconsultant agrees to be bound to Consultant and City of Chico in the same manner and to the same extent as Consultant is bound to City of Chico under the agreement. Subconsultant further agrees to include the same requirements and provisions of this agreement, including the indemnity and Insurance requirements, with any Sub-subconsultant/Sub-subcontractor to the extent they apply to the scope of the Sub-subconsultant/Sub-subcontractor's work.

A copy of the City of Chico Insurance Provisions will be furnished to the subconsultant upon request. Evidence of such coverage shall be maintained by Consultant and provided to City upon request.

Workers' Compensation Insurance

Consultant shall, at Consultant's expense, purchase and maintain in full force and effect workers' compensation insurance as required by Federal and State of California law. Consultant shall also require all of Consultant's subconsultant to maintain this insurance coverage. Proof of workers' compensation insurance or other documentation acceptable to City evidencing such insurance coverage shall be provided by Consultant or Consultant's subconsultant to City upon request.

Subrogation

Consultant shall agree to waive all rights of subrogation against City for losses arising from

Services performed by the Consultant or Consultant's subconsultant for City under this Agreement.

Indemnity

Consultant's responsibility for such defense and indemnity obligations shall survive the termination or completion of this agreement for the full period of time allowed by law.

The defense and indemnification obligations of this agreement are undertaken in addition to, and shall not in any way be limited by, the insurance obligations contained in this agreement.

Professional Liability Insurance

Consultant shall obtain professional liability (errors and omissions) insurance, with a minimum \$500,000 limit, from one or more U.S. domiciled insurance companies licensed to do business in the State of California with an A.M. Best Company rating of "B" or better providing coverage for services rendered to City under this Agreement.

Said insurance coverage shall be evidenced by a certificate of insurance which shall be executed by an authorized official of the insurer(s). In addition to the limits of coverage described above, the certificate of insurance shall provide that the insurer shall provide to City at least 30 days prior notice of cancellation or material change in coverage, or 10 days prior notice of cancellation for non-payment.

EXHIBIT E

CONFLICT OF INTEREST PROVISIONS

NONE

NONE