

CONSULTANT SERVICES CONTRACT

Contract No. 2027-148

This Contract by and between the City of Flagstaff, a political subdivision of the State of Arizona ("City") and Ailevon Pacific Aviation Consulting, LLC, a/an Texas limited liability company ("Consultant") shall be effective as of the date of the last signature below. The City and Consultant may be referred to as "Party" or jointly as "Parties."

WHEREAS, the City desires to receive Air Service Development Consulting;

WHEREAS, Consultant is able to provide the necessary consulting services; and

NOW THEREFORE, in consideration for the mutual promises herein, the Parties agree as follows:

AGREEMENT

1. Scope of Work

1.1 General Description

Consultant will provide the consulting services generally described as: Air Service Development Consulting.

1.2 Services Purchased

The specific requirements of the consulting services are specified in the Scope of Work attached here to as Exhibit A (the "Services").

2. Term and Renewal

2.1 Contract Term

The term is for a period of one (1) years unless terminated pursuant to the provisions of the Contract. The Contract will be effective as of the date signed by both parties. The City Council has the authority to amend the term of the Contract.

2.2 Renewal

The Contract may be renewed for up to four (4), one (1)- year additional terms by mutual written consent of the parties. The City Manager or his/her designee (the Purchasing Director) shall have authority to approve renewal on behalf of the City.

2.3 Unilateral Extension

The Contract may be unilaterally extended for one (1) 90-day period. The City Manager or his/her designee (the Purchasing Director) shall have the authority to approve the extension on behalf of the City. Consultant will be provided written notice of the Unilateral Extension prior to expiration of the Contract.

3. Compensation

3.1 Compensation

Consultant shall be paid for satisfactory performance of the Contract in an amount not to exceed thirty-four thousand nine hundred ninety-two dollars and zero cents (\$34,992.00) exclusive of all conference fees, travel

related expenses, and related incidentals,, and not to exceed one hundred seventy five thousand dollars and zero cents (\$175,000.00) with all terms and renewals, including fees and taxes, based on an hourly rate or other measurement made in accordance with the Scope of Work, attached hereto as Exhibit A.

3.2 Price Adjustment

Any price adjustment must be approved by mutual written consent of the parties through a formal amendment.

3.3 City Council Approval May be Necessary

The City Manager or his/her designee may approve an amendment if the total amount of the Contract, as amended, is less than \$100,000; otherwise, City Council approval is required.

3.4 Payment

3.1 Invoicing: Invoices shall include the Contract number, a reasonably detailed description of the services rendered under the Contract, and dates when the work has been performed. Invoices shall be monthly sent within thirty (30) days following completion of the Services. Payment will only be made for satisfactory Services received and accepted by City.

3.2 Taxes: Consultant shall be responsible for payment of all taxes, including federal, state, and local taxes related to or arising out of performance of the Contract. Such taxes include, but are not limited to, federal and state income tax, social security tax, unemployment insurance taxes, transaction privilege taxes, use taxes, and any other taxes or business license fees, as required.

3.3 Exception: The City will pay any taxes which are specifically identified as a line-item dollar amount in Consultant's bid, proposal, or quote, or which were considered and approved by the City as part of the award process. Such taxes shall be identified as a separate line item in Consultant's invoices.

4. Termination & Cancellation Clauses

4.1 Non-Appropriation

The City may terminate the Contract due to budget constraints and non-appropriation of funds for the following fiscal year, without penalty or liability to Consultant.

4.2 For Convenience

Either Party may terminate the Contract for any reason by giving the other Party written notice of such termination no less than fifteen (15) days prior to the date of termination. If the Contract is so terminated, the City's only payment obligation under the Contract shall be for those Services completed prior to the effective date of the termination

4.3 Conflict of Interest

The Contract is subject to the terms of A.R.S. § 38-511.

4.4 Payment Upon Termination

Upon termination of the Contract, the City shall pay Consultant for satisfactory performance up until the effective date of termination. The City shall make final payment within thirty (30) days from receipt of the Consultant's final invoice.

5. Insurance

5.1 Liability

Consultant shall maintain the necessary state and/or federal insurance to provide the Services described within the Contract. The City may request proof of insurance.

5.2 Professional Liability

Where the Consultant is required by state statute to maintain certain licensure to provide the Services required in the Contract, Consultant shall maintain \$2,000,000 of Professional Liability insurance. The City may request proof of Professional Liability Insurance.

6. General Indemnification

Consultant agrees to indemnify, defend, save, and hold harmless the City, its officers, officials, agents, and employees from and against any and all claims, demands, actions, liabilities, damages, losses, or expenses, including court costs, attorneys' fees, and costs of claim processing, investigation and litigation (hereinafter collectively referred to as "Claims") that arise out of any actual or alleged bodily injury to any person (including death) or property damage caused or alleged to have been caused, in whole or in part, by the acts, errors, omissions, or negligence of the Consultant or any of Consultant's directors, officers, agents, employees, or volunteers in connection with or incident to this Contract. This indemnity provision shall survive the termination, cancellation, or revocation, whether in whole or in part, of this Contract.

7. Employees and Subcontractors

7.1 Assignment/Subcontracting

Consultant was selected for its special knowledge, skills, and expertise and shall not assign, sell, transfer, or subcontract rights, or delegate responsibilities of this Contract, in whole or in part, without the City's prior written approval which may be withheld.

7.2 Independent Contractor

Consultant shall be an independent contractor for purposes of all laws, including but not limited to the Fair Labor Standards Act, Federal Insurance Contribution Act, Social Security Act, Federal Unemployment Tax Act, Internal Revenue Code, Immigration and Naturalization Act; Arizona revenue and taxation, compulsory Workers' Compensation laws of the State of Arizona under A.R.S. § 23-901 (et. seq.) and/or unemployment insurance laws.

7.3 Nondiscrimination

Consultant shall not discriminate against any employee or applicant for employment or person to whom it provides Services because of race, color, religion, sex, national origin, disability, genetic information, veteran's status, pregnancy, and/or familial status and represents and warrants that it complies with all applicable federal, state, and local laws, ordinances and executive orders regarding employment.

7.4 Drug Free Workplace

The City has adopted a Drug Free Workplace policy for itself and those doing business with the City to ensure the safety and health of all persons working on City contracts and projects. Consultant's personnel shall abstain from use or possession of illegal drugs while engaged in performance of the Contract.

7.5 Immigration Laws

Pursuant to A.R.S. § 41-4401, Consultant hereby warrants that it and each of its subcontractors shall comply with all state and federal immigration laws and regulations that relate to its employees and A.R.S. § 23-214(A). A breach of state and/or federal immigration laws and regulations shall constitute a material breach of the Contract.

7.6 Forced Labor of Ethnic Uyghurs

Consultant hereby certifies that it does not use the forced labor of ethnic Uyghurs in the People's Republic of China as defined in A.R.S. § 35-394, et seq.

8. Delivery of Report/Data

8.1 City Ownership of Document and Data

Any original documents prepared or collected by Consultant in performance of this Contract such as models, samples, reports, surveys, survey results, graphics, tables, charts, plans, computations and other data shall be the property of City ("City's work product"). Consultant agrees that all materials prepared under this Contract are "works for hire" within the meaning of the copyright laws of the United States and hereby assigns to the City all rights and interests Consultant may have in the materials it prepares under this Contract, including any right to derivative use of the material.

8.2 Re-Use

The City may use the City's work product without further compensation to Consultant; provided, however, that the City's reuse without written verification or adaption by Consultant for purposes other than contemplated herein is at the City's sole risk and without liability to Consultant. Consultant shall not engage in any conflict of interest nor appropriate any portion of the City's work product for the benefit of Consultant or any third parties without the City's prior written consent.

8.3 Delivery of Document and Data

Upon termination of this Contract in whole or part, or upon expiration if not previously terminated, Consultant shall immediately deliver to the City copies all of the City's work product and any other documents and data accumulated by Consultant in performance of this Contract, whether complete or in process.

9. In General

9.1 Amendment

The Contract is intended to be the complete and final agreement of the Parties. The Contract may be amended through a formal written amendment of the Parties.

9.2 Non-Exclusive

Unless expressly provided otherwise in the Contract, the Contract is non-exclusive and the City reserves the right to contract with others for services.

9.3 Compliance with Laws

Consultant shall comply with all applicable federal, state, and local laws, regulations, standards, codes, and ordinances.

9.4 Licenses and Permits

Consultant, at its own expense, shall acquire the requisite insurance, licenses, permits, and approvals, required to perform the Contract, and provide copies to City upon request.

9.5 Public Records

Pursuant to A.R.S. § 39-121 et seq., the Contract and any related materials are a matter of public record and subject to disclosure. If Consultant has clearly marked its proprietary information as "confidential", the City will endeavor to notify Consultant prior to release of such information.

9.6 No Boycott of Israel

Pursuant to A.R.S. §§ 35-393 and 35-393.01, if a Party has over ten (10) employees and the Contract is worth at least one-hundred thousand dollars and no cents (\$100,000), the Party shall certify that it is not currently engaged in, and agrees, for the duration of the Contract, will not engage in a boycott of Israel.

9.7 Governing Law and Forum

The Contract shall be construed in accordance with the laws of the State of Arizona and in the event of litigation relating to the Contract, any action in law or in equity shall be filed in Coconino County, Arizona.

9.8 Conflict of Interest and Disclosure

Ailevon Pacific shall promptly disclose in writing to FLG any work performed for other airports within FLG's catchment area that could create a conflict of interest.

10. Notice

Any formal notice under the Contract shall be in writing via certified mail and email as follows:

To the City:

Claire Harper
EV - Airport
City of Flagstaff
211 W. Aspen Ave.
Flagstaff, AZ 86001
Email: claire.harper@flagstaffaz.gov
Phone: (928) 213-2944

To the Contractor:

Rhett Morgan
Ailevon Pacific Aviation Consulting, LLC
PO Box 734952
Dallas, TX 75373-4952
Email: rhett.morgan@ailevonpacific.com
Phone: (678) 591-1201

With a copy to:

Teddy Callan
City of Flagstaff
211 W. Aspen Ave.
Flagstaff, AZ 86001
Email: teddy.callan@flagstaffaz.gov

11. Authority

Each Party warrants that it has authority to enter into the Contract and perform its obligations hereunder, and that it has taken all actions necessary to enter into the Contract.

IN WITNESS WHEREOF, the City and Consultant, by their duly authorized representatives, have executed this Contract as of the date of the last signature below.

CONSULTANT

CITY OF FLAGSTAFF

SIGNATURE

SIGNATURE

TITLE

TITLE

DATE

DATE

ATTEST:

SIGNATURE

City Clerk

TITLE

Stacy Saltzburg

FULL NAME

DATE SIGNED

APPROVED AS TO FROM:

SIGNATURE

FULL NAME

City Attorney's Office

TITLE

DATE SIGNED

Exhibits List

A - LOA2 FLG Retainer Proposal Nov 1 26 final

Exhibit A

LOA2 FLG Retainer Proposal Nov 1 26 final

September 10, 2026

Claire Harper
Airport Communications Manager
Flagstaff Pulliam Airport
6200 S. Pulliam Dr.
Flagstaff, AZ 86005

SCOPE OF WORK

Objective

Ailevon Pacific Aviation Consulting (APAC) to provide consulting services to support air service development & retention goals for Flagstaff Pulliam Airport (FLG).

Description of Services / Statement of Work

Deliverables include:

- Continued pursuit of Air Service Development (ASD) strategic goals
 - Work with American Airlines (AA) network planning on evolution of DFW and PHX markets including expansion of mainline service, introduction of additional aircraft types (ie. E175), and market maturation
 - Recruitment of airlines (including, but not limited to Skywest (OO), United (UA), Delta (DL), Alaska (AS), Jet Suite X (JSX)) for service to new destinations (including, but not limited to Denver, Salt Lake City, and southern California)
- Assist FLG with Small Community Air Service Development Program Grant (SCASD) results and implementation pending 2026 award notifications. Assistance includes but is not limited to development of airport and airline agreements, such as leases, minimum revenue guarantees, and license agreements.
- Carrier opportunity analysis and presentation for up to 1 (one) airline at their corporate headquarters or 2 (two) virtual meetings via Teams
- Priority representation, including analysis and presentation preparation, at the 2027 Take Off Conference (XNA – December 2026), and 2027 ACI-NA JumpStart Conference (CMH – June 2027)
- Leveraging professional and personal relationships with carrier Network Planning officials to advocate on behalf of FLG, both privately and at industry events



- On call availability and priority for ad-hoc requests including data sources such as (Placer AI mobility, migration, etc.)
- Serve as point-of-contact (POC) for all air service-related questions, projects, inquiries for FLG
- Provide monthly and quarterly reporting on key performance indicators including demand, fares, and competitive benchmarking vs comparable airports

Project Terms

Ailevon Pacific will provide FLG with the service indicated in this agreement for three years, with the option of an additional 2 years, if agreed upon by both parties. Services will be evaluated on an annual basis based on the air service development and retention needs of FLG. The contract shall not exceed \$175,000 over five years.

Year 1 - Ailevon Pacific will provide FLG with the services indicated above in this agreement for 12 consecutive months beginning on November 1, 2026, and ending October 31, 2027. The cost of these services will be \$34,992 *exclusive* of all conference fees, travel-related expenses, and related incidentals. Conference expenses will be pro-rated across APAC's client base attending each conference. The conference fees must be provided by APAC in advance and approved by FLG in writing.

Services and fees for additional years will be negotiated between FLG and APAC and are subject to available funding.

Additional projects that fall outside the final scope of work would be negotiated on an *ad hoc* basis and would be subject to mutual agreement on terms. Either party may terminate this agreement without cause with a 90-day notice.

Payment Terms:

FLG will be invoiced monthly during the term of the agreement in twelve (12) equal installments of \$2,916. Ailevon Pacific will issue the first invoice on November 30, 2026. Ailevon Pacific will be paid within 30 days of each submitted invoice.

This constitutes the entire agreement between the parties.

Proposal prepared by:

Rhett Morgan – Senior Director
Ailevon LLC dba Ailevon Pacific Aviation Consulting

Proposal accepted by:

Name _____ Title _____

Company _____



Signature_____

Date_____