

SCHEDULE A
Airport Service Provider's Contract

This AGREEMENT made this ___ day of _____, 2022.

BETWEEN:

THE CORPORATION OF THE MUNICIPALITY OF KINCARDINE

Hereinafter called the "Municipality" Of the First Part,

-And-

Phoenix AMG Inc.

Hereinafter called "Contractor" Of the Second Part

WHEREAS the Municipality owns the Municipal Airport (hereinafter called the Airport), Transport Canada identifier CNS7, is a registered public aerodrome, located on the west side of Highway #21 in the Municipality of Kincardine, and which consists of generally the following: runways, taxiway, apron, grassed area, hangars, terminal, navaid equipment and fuel facilities;

AND WHEREAS the Municipality agrees to hire a Contractor to provide management services at the Kincardine Airport and has directed that a Contract Agreement be enacted;

NOW THEREFORE THIS AGREEMENT WITNESSETH THAT in consideration of the premises and of the covenants and agreements hereinafter contained and other goods and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

1.0. MUNICIPAL OVERSIGHT

The Contractor reports to the Manager of Operations or designate, on all airport operational matters, including but not limited to, grounds and airside maintenance, airport operations and systems, aviation standards and capital projects.

The Office of the Chief Administrative Officer (CAO) oversees hangar leasehold relations and airport marketing and promotions.

2.0. TERM OF CONTRACT

- a. The Agreement will be for three (3) years, to cover the period April 1st, 2022 to March 31st, 2025, with the option of an extension for another three (3) year term to expire March 31st, 2028. The Municipality is under no obligation to extend the Agreement beyond its initial term. The decision to extend the contract will be mutually agreed upon between the Municipality and the Contractor.

- b. In the event the contract is extended for the optional three-year period, the compensation rates for the period of the three (3) year extension will be negotiated prior to the granting of the extension.
- c. Further renewal for a shorter term shall be agreed to in writing in the event that the second full three (3) year Agreement is not negotiated or finalized. Such extensions shall be in accordance with the same terms and conditions of the initial agreement. Notice of extensions shall be given ninety (90) days in advance of the termination of the initial contract.
- d. The continuation of the services beyond the initial term of the Agreement shall be for the purposes of ensuring a smooth continuity and/or transition of the Airport Management and Operation functions. During this transition period, the Contractor shall be paid for services rendered in accordance with the terms of this agreement, or the negotiated extension, as applicable.

3.0. MANAGEMENT FEE

- a. The Contractor shall be paid the annual fee of \$104,200.00 plus H.S.T for the year April 1, 2022 to March 31, 2023, for the services set out in this contract.
- b. All fees must be in Canadian Funds and include all applicable taxes, identified separately.
- c. The annual fee shall include all labour costs and associated Canada Revenue Agency Statutory obligations as noted in attached contract. All risk for profit/loss shall be the sole responsibility of the Contractor.
- d. The Contractor agrees to provide the services outlined in this Agreement for the annual fee.
- e. The annual fee will be adjusted each April 1st during the term of the Agreement by the change in the Ontario Consumer Price Index (CPI) over the previous twelve (12) months (January 1st - December 31st). The first adjustment will be effective April 1st, 2023.
- f. Payment will be made to the Contractor monthly during the term of the Agreement. Additional payments for approved services will be paid by invoice submitted by the Contractor.

4.0. SCOPE OF WORK

4.1. Responsibilities of the Municipality

- a. The Municipality of Kincardine is the owner of the Kincardine Municipal Airport, and as such, shall be responsible for the overall policy direction for the maintenance, operations, and management of the Airport.

- b. The Airport's annual operating and capital budgets will be subject to the approval of Municipal Council.
- c. The Municipality will determine capital, and operational improvements needed at the Airport.
- d. The Municipality will determine the types and levels of fees to be charged at the Airport, with all receipts payable to the Municipality, unless otherwise stated or agreed to.
- e. The Municipality shall remove snow (as required) from the runway, taxiways, the refuelling areas, the hangar-line, the driveway, the parking lot, the entrance to the apron and general aviation area to the extent required for the winter activities. The Municipality will supply the necessary equipment, to be operated by the Contractor, to remove snow from around the Terminal Building and hangar entrances.
- f. The Municipality will cut grass adjacent to the runways and aprons; and will provide the necessary equipment, to be operated by the Contractor, to cut grass around the terminal, hangars, and along the runway/taxiway areas to a distance of one mower width behind all runway and taxiway lighting.
- g. The Municipality reserves the right to subcontract equipment operations work and the Contractor will oversee the necessary work performed on the Municipality's behalf. The Municipality will provide fuel for Municipality provided equipment.
- h. Damage to Municipality-owned equipment due to Contractor operator negligence shall result in the Contractor paying 50% of the cost of repair. This shall be subject to the Municipality reasonably demonstrating that the damage is not due to normal wear and tear from industry-standard equipment operation.
- i. The Municipality will provide appropriate office space and furnishings (including computer and fax machine) in the Terminal Building for the purpose of carrying out airport management duties. The cost of operating the Terminal Building will include hydro, telephone (excluding personal calls), heat, janitorial supplies, light bulbs for buildings, repairs to furnishings and buildings, and will be provided by the Municipality.
- j. The Municipality will supply the necessary lights for the runway and repairs to Municipality provided equipment.

4.2. Responsibilities of the Contractor

- a. The Contractor will ensure that aircraft operating areas and other facilities are inspected on a daily basis in accordance with Transport Canada regulations and

generally accepted airport operating practices. Additional inspections will be made in poor weather conditions and during the winter months. The Contractor will keep a written or electronic record of all inspections and will provide copies of all inspection reports to the Manager of Operations. Any hazards or deficiencies identified during these inspections will either be rectified immediately or reported to London Flight Service by NOTAM. The Contractor is responsible for issuing aircraft and airport advisories which may be required for Airport users.

- b. The Contractor will keep a record of Airport movements/aircraft activity during attended hours.
- c. The Contractor will ensure that they are personally in attendance at the Airport for a minimum of forty (40) hours per week, with the exception of scheduled personal holidays and approved absences from the Airport on airport business. The Municipality reserves the right to monitor the amount of time the Contractor is absent from the Airport.
- d. Additional hours required to work outside the normal hours of operation will be subject to the approval of the Municipality.
- e. The Contractor will sell aircraft fuel provided by the Municipality during the attended hours and will make arrangements for after-hours sales. The Contractor will deposit all fuel receipts directly with the Municipality and supply all information on fuel sales to the Finance Department. The Contractor will maintain records of all fuel sales and inventory and take tank depth recordings and other inspections as required under the Gasoline Handling Act or other applicable Acts. The Contractor will carry out fuel quality testing on a schedule to be provided by the Municipality.
- f. The Contractor is to remove snow (daily) from around the Terminal Building and hangar entrances to the extent required for the winter activities. The Contractor will provide the Municipality with a winter maintenance and snow-clearing program for approval prior to October 15th of each year during the term of the Agreement except in the first year of the Agreement the winter maintenance and snow-clearing plan will be provided by November 15th. A map detailing areas of responsibility will be provided by the Municipality.
- g. The Contractor will cut grass in the vicinity of the Terminal Building and around the hangars, and along the runway/taxiway areas to a distance of one mower width behind all runway and taxiway lighting. The Contractor will provide the Municipality with a grass-cutting schedule for approval prior to April 15th of each year during the term of the Agreement except in the first year of the

Agreement the grass-cutting plan will be provided by May 15th. A map detailing areas of responsibility will be provided by the Municipality.

- h. The Contractor will ensure that the Terminal Building is cleaned and maintained to the satisfaction of the Municipality and will submit invoices to the Municipality on a monthly basis for the purchase of cleaning and toilet supplies.
- i. The Contractor will ensure that the runway and other aircraft movement areas are maintained to Transport Canada and the Ministry of Transportation of Ontario Standards, and to the satisfaction of the Municipality, and without limiting the generality of the foregoing, replacing burned out light bulbs, keeping the wind indicator in good repair, sign maintenance and runway markers. The Contractor will maintain, with the approval of the Municipality, a supply of replacement items as required for the above maintenance at the expense of the Municipality.
- j. The Contractor will be responsible for directing aircraft to a suitable tie-down area and collecting fees as established by the Municipality.
- k. The Contractor will supply a vehicle in good operating condition for carrying out duties on airport property.
- l. The Contractor will answer telephone and aircraft radio calls and provide information relating to runway conditions, including updating the municipal website, as required. The Municipality will supply the Contractor with a hand-held radio while the Contractor is conducting runway inspections and/or maintenance.
- m. The Contractor will supervise and control access of persons or vehicles to the Airport property and will provide at all times for the safety and welfare of the flying and non-flying public.
- n. The Contractor will submit the following reports to the Municipality on a monthly basis regarding the operation of the Airport:
 - i. Monthly operating and maintenance report (invoices);
 - ii. Summary of fuel purchases and sales;
 - iii. Summary of aircraft movements during staffed hours and an estimate of movements when the airport is not staffed; and,
 - iv. Marketing report detailing the status of activities during the month in the following areas:
 - 1. Special events;
 - 2. New hangar development;
 - 3. New airport users, air cargo/courier operations;
 - 4. Community awareness program.

- v. The Contractor in conjunction with the Municipality will be required to prepare and submit an annual report inclusive of presenting such details at an annual meeting of relevant stakeholders.
- o. The Municipality will provide the Contractor with the format for various Municipal reports. The Contractor may submit report formats for approval by the Municipality.
- p. The Contractor will maintain an Airport Operations Manual, Emergency Response Plan, Wildlife Control Plan, and a Snow Removal and Ice Control Plan in cooperation with the Municipality, the Fire Department, the local detachment of the Ontario Provincial Police and other organizations as may be required.
- q. The Contractor must enforce and meet all requirements of the Aeronautics Act and the Canadian Air Regulations (CAR's) and all other statutes that may apply or are deemed to apply.
- r. The Contractor must ensure professional service and attitude at all times in dealing with all users of the Airport. The Contractor will be provided with business cards paid for by the Municipality, which will be used exclusively for Airport business.
- s. The Contractor is responsible for marketing and developing the commercial, industrial and business use of the Airport by local industry, new industry to the area, courier operators, air freight operators, passenger air carriers, military operators and government air operators, with the intention of increasing the revenues from user fees, fuel sales and hangar leases.
- t. The Contractor will assist in the preparation of the Airport annual operating and capital budgets.
- u. The Contractor will be required to operate the Airport within the annual operating and capital budget as approved by Municipality Council. Any expenditure that would cause an over expenditure in an approved budget line account must be authorized by the Manager of Operations or their designate prior to the Contractor authorizing or initiating the expenditure.
- v. The Contractor will be required to obtain prior approval from the Manager of Operations or their designate for any single or cumulative purchase with a value in excess of \$1,000 including HST.
- w. The Contractor shall provide a cell phone number, which airport users will call for off-hours service. The monthly charge for the cell phone will be paid by the Contractor.

- x. The Contractor shall comply with relevant Canada Revenue Agency obligations.
- y. The Contractor shall be required to comply with the Municipality's Policies GG 3.8 "Accessibility Standards for Customer Service" (Appendix A), Policy GG 3.9 "Integrated Accessibility Standards" (Appendix B) and the Municipality of Kincardine' s Occupational Health & Safety Manual (attached).

5.0. INSURANCE REQUIREMENTS

The Contractor must supply to the Municipality proof of the following Insurance provisions:

- a. Aviation General Liability Policy
 - i. in an amount not less than Five Million Dollars (\$5,000,000): The policy shall include but not limited to the following: bodily injury including death; damage to property including use thereof; premises and operations liability; contingent employers' liability; personal injury liability; 120-hour reporting; vehicle airside liability. The policy must include a cross liability clause and a severability of insured's clause.
 - ii. Additionally, the policy shall include: tenants' legal liability in an amount not less than Two Hundred Fifty Thousand (\$250,000); non-owned licensed motor vehicles in an amount not less than One Million Dollars (\$1,000,000); sudden and accidental pollution in an amount not less than Twenty Five Thousand (\$25,000).
- b. Coverage for above policy shall be inclusive of the terminal field, airfield, ramp, and taxiway.
- c. Property damage deductible shall not exceed Five thousand dollars (\$5,000.00) or as agreed to by the Municipality.
- d. Endorsement providing the Municipality with not less than thirty (30) days written notice of cancellation to coverage.
- e. The Municipality shall be named as additional insured to the policy with respect to liability arising out of the operations of the Named Insured.
- f. Automobile Policy - Standard owner's form automobile policy providing third party liability and accident benefits insurance and covering licensed vehicles owned or operated by the Contractor.
- g. Employee Dishonesty with Third Party Extension - Employee Dishonesty coverage written by an insurer licensed to conduct business in the Province of Ontario in an amount of \$100,000. Coverage shall include the Third-Party Extension.

6.0. INDEMNITY

The Contractor covenants and agrees to keep the Municipality indemnified against any and all claims and demands whatsoever by any person or entity, whether in respect of damage to person or property, arising out of or occasioned by the Contractor's actions or inactions with respect to performance of its duties and obligations under this Agreement.

7.0. HOURS OF OPERATION & AIRPORT STAFF

- a. The Airport will be attended continually by the Contractor or the Contractor's qualified employees at all times on a daily basis. Staff will be required on site for a 40-hour flex week. Flex hours will provide the contractor the ability to attend meetings, special events or tend to air traffic as required. The contractor will be responsible to provide their schedule to the Municipality for approval. The Contractor's proposed schedule is as follows:

Phoenix AMG Inc. will operate the Airport three hundred and fifty-four (354) days per year utilizing flex hours of Mondays to Friday six (6) hours per day and Saturday and Sunday five (5) hours per day, making up a forty (40) hour flex week.

- b. The airport may be closed on the following statutory holidays: New Year's Day, Family Day, Good Friday, Easter Monday, Victoria Day, Canada Day, Civic Holiday, Labour Day, Thanksgiving Day, Christmas Day, and Boxing Day. The ASP will be available through call out to support the air traffic and airport activities.
- c. Additional hours may be required, from time to time, to accommodate meetings (i.e., COPA), and Airport events.
- d. The Contractor will be permitted reasonable absences from the Airport during attended hours for the purpose of carrying out the duties of the Airport Operating Agreement. In the event of such absence the Contractor will ensure a qualified employee of the Contractor is in attendance at the Airport. Extended absences may be permitted with the prior approval of the Municipality.
- e. The Contractor will provide all staff required to fulfil the requirements of the Agreement and will ensure all staff are suitably trained, certified as required and familiar with Transport Canada regulations and other laws as they may apply to airports. The Municipality shall be provided with a copy of all certifications of staff and operations by the Contractor. The Contractor shall provide a list of all staff working under this contractor to the Municipality.
- f. The Contractor and the Contractor's employees are expected to take full advantage of training courses related to airport operations that may be available. The Municipality may reimburse the Contractor for major training expenses, provided the Municipality approves the training course in advance and it is included in the approved Airport annual operating budget.

g. The Contractor will provide customer service recommendations to the Municipality.

8.0. DURATION OF AGREEMENT

- a. This Agreement shall be effective from April 1, 2022 to March 31, 2025. This will be deemed to be a three-year contract subject to the Contractor meeting his/her obligations as specified herein.
- b. Either party may terminate this Contract Agreement upon ninety (90) days' notice by mailing a notice of termination by registered or certified mail to the other party.
- c. This contract may be terminated with no notice in the event of failure to comply with the terms of this Agreement, or other serious grounds as determined by the Council of the Municipality.

9.0. ASSIGNMENTS

This Agreement is not assignable by either party without the written permission of the other party.

SIGNED, SEALED AND DELIVERED

In the presence of

) THE CORPORATION OF THE
) MUNICIPALITY OF KINCARDINE
)
)
) per: _____
) Gerry Glover, Mayor
)
)
) per: _____
) Roxana Baumann, Acting CAO
)
) DATE: _____

We have the authority to bind the corporation.

In the presence of

) Phoenix AMG Inc.
)
)
) per: _____
) Stephen Rouse, President
)
)
) per: _____
) Witness
)
) DATE: _____

I have the authority to bind the corporation.