

PURCHASE OF SERVICE AGREEMENT

THIS PURCHASE OF SERVICE AGREEMENT (hereinafter "Agreement"), made and entered into on the first day of July, 2012, by and between the **LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT**, an urban county government of the COMMONWEALTH OF KENTUCKY created pursuant to KRS chapter 67A (hereinafter "Government"), 200 East Main Street, Lexington, Kentucky 40507, on behalf of its Department of Social Services (hereinafter "Sponsor"), and, **COMMUNITY ACTION COUNCIL** with offices located at P.O. Box 11610 (710 W. High St.), Lexington, Kentucky 40576, (hereinafter "Organization").

W I T N E S S E T H

That for and in consideration of the mutual promises and covenants herein expressed, the Government and the Organization agree as follows:

1. Government hereby retains Organization for the period beginning on **July 1, 2012**, and continuing for a period of twelve (12) months from that date unless within that period Government gives the Organization thirty (30) days written notice of termination of this Agreement in which case this Agreement shall terminate thirty (30) days from the date notice is given to the Organization.

2. Government shall pay Organization the sum of **One Hundred Forty Seven Thousand Nine Hundred Seventy Five Dollars (\$147,975.00)** for the services required by this Agreement, said services being more particularly described in the Addendum attached

hereto and incorporated herein by reference, one-fourth (1/4<sup>th</sup>) of which shall be payable in July 2012 or shortly thereafter upon receipt of an invoice, with one-fourth (1/4<sup>th</sup>) payable each quarter thereafter upon submission of a quarterly financial report and invoice, and a detailed quarterly program report. Quarterly financial reports, invoices, and detailed program reports shall be submitted by October 10<sup>th</sup>, January 10<sup>th</sup>, and April 10<sup>th</sup>. A year-end program report shall be submitted by July 10<sup>th</sup>. Both reports shall reflect the services and programs directly related to the funding provided by Lexington Fayette Urban County Government with emphasis on measurable outcomes, and specifically outlined in the funding application. Forms for both the quarterly financial and program reports will be provided.

3. In the event of termination of this Agreement by Government as provided for in paragraph 1 above, Organization shall be entitled to that portion of total compensation due under this Agreement as the service rendered bears to the service required herein.

4. Organization shall perform all duties and services included in the Addendum \*(Description of the specific uses of funds allocated by program name(s) and details of the expected client and agency outcomes) attached hereto faithfully and satisfactorily at the time, place and for the duration prescribed herein. Compensation paid pursuant to this Agreement shall be used exclusively for the services set forth in the Addendum and for no

other purpose. Any alteration in the nature of such services and duties constitutes an amendment to this Agreement and must be in writing signed by both parties. Organization shall keep itself fully informed of all federal and state laws and all municipal ordinances and regulations in any manner affecting the work or performance of this Agreement, and shall at all times observe and comply with such laws, ordinances and regulations, whether or not such laws, ordinances or regulations are mentioned herein, and shall indemnify Government, its officers, agents and employees against any claim or liability arising from and based on the Organization's violation of any such laws, ordinances or regulations.

5. Organization represents that it has filed all federal, state and local income tax returns required by law in the legally prescribed time and manner. This Agreement shall not become effective unless and until copies of all of the executed originals of the aforementioned tax returns filed for the Organization have been registered for the current tax year by the Organization in the office of the Sponsor, and the Organization shall not be compensated unless and until such registration has taken place.

6. The Organization shall, on such forms as the Sponsor shall provide, submit to Sponsor an annual report and financial statement which summarize the previous year's activities regarding the services enumerated in the addendum attached hereto. Such

report and statements shall be submitted no later than July 31, 2013 for the FY 2013.

7. Books of accounts shall be kept by the Organization and entries shall be made therein of all money, goods, effects, debts, sales, purchases, receipts, payments and any other transactions of the Organization. The books of accounts, together with all bonds, notes, bills, letters and other writings belonging to the Organization, shall be maintained at the principal place of business of the Organization as set forth in this Agreement. Government shall have free and complete access to the books, papers and affairs of the Organization, that relate to the performance of this Agreement, at all reasonable times, and if it desires, it may have the books and papers of the Organization, that relate to the performance of this Agreement, audited and examined by auditors, accountants or attorneys. Any examination shall be at the expense of the Government.

8. Government may designate such persons as may be necessary to monitor and evaluate the services rendered by the Organization. The Government, its agents and employees, shall, at all times, have unrestricted access to all places where or in which the services required hereunder are being carried on and conducted. Inspection and monitoring of the work by these authorities shall in no manner be presumed to relieve in any degree the responsibility or obligations of Organization, nor to constitute the Organization as an agent of the Government.

9. Organization shall provide equal opportunity in employment for all qualified persons, shall prohibit discrimination in employment because of race, color, creed, national origin, sex or age, shall promote equal employment through a positive, continuing program of equal employment, and shall cause each of its subcontracting agencies to do so. This program of equal employment opportunity shall apply to every aspect of its employment policies and practices.

10. Organization shall adopt a written sexual harassment policy, which shall, at a minimum, contain a statement of current law; a list of prohibited behaviors; a complaint process; and a procedure which provides for a confidential investigation of all complaints. The policy shall be given to all employees and clients and shall be posted at all locations where Organization conducts business. The policy shall be submitted to Sponsor for review within thirty (30) days of the execution of this Agreement.

11. This instrument, and the Addendum \*(Description of the specific uses of funds allocated by program name(s) and details of the expected client and agency outcomes) incorporated herein, contains the entire agreement between the parties, and no statement, promises or inducements made by either party or agent of either party that is not contained in this written Agreement shall be valid and binding; and this Agreement may not be enlarged, modified or altered except in writing signed by the parties and endorsed hereon.

12. Organization agrees that it shall apply all funds received by it from the Urban County Government in accordance with the following investment policy guidelines:

A. Objectives: Capital preservation with surety of income. Reasonable competitive income consistent with high investment quality and purpose of funds. All investments shall conform with state and local law and regulations and these policies.

B. Investment Funds Management: The governing board may elect to either:

(1) Manage its investment through its executive director where the size or complexity of funds to be managed is deemed by the board to be within the training, expertise and/or available time capacity of the executive director and the operating staff; or

(2) Utilize the professional investment management facilities of a local bank trust department acting in a fiduciary capacity within the same approved investment policies and federal, state, local and trust laws and regulation. The trust department may utilize its regular short-term one hundred percent (100%) US Treasury Fund for daily funds investment.

The election of option 1 or 2 should be made consistent with the relative cost incurred and in the case of option 2 the cost shall be competitive among local trust departments.

C. Investment Policies - - Safety and Prudence.

(1) Short-term liquidity funds shall be invested in "riskless" investment, i.e., deposits in Kentucky commercial banks or savings and loan associations that are fully federally insured or deposits collateralized by U.S. Treasury securities with a current market value of at least one hundred percent (100%), or in direct obligations of U.S. Treasury securities.

Investments shall be diversified according to maturity in order to meet projected cash flow needs.

Collateral pledged to secure uninsured deposits shall be held at a federal reserve bank with the receipt providing absolute control by the agency.

(2) Retirement funds, endowment funds, long-term capital reserve funds and any other special funds may be held and invested by a local bank trust department under investment objectives and diversification in accordance with the individual nature of the funds and pursuant to the "prudent man" investment rule as well as general trust law.

(3) All investments shall be reviewed monthly by a finance or investment committee of the agency.

(4) Local brokerage firms may hold and invest funds provided that investments are located within Kentucky and are full insured.

D. Audit - - All investments shall be audited at least annually by independent certified public accountant who shall express an opinion as to whether or not investments during the year audited have conformed with state and local law and regulation and with the approved investment policies.

13. Notice - Any written notice required by the Agreement shall be delivered by certified mail, return receipt requested, to the following:

For Organization:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Attn: \_\_\_\_\_

For Government:

Lexington-Fayette Urban County Gov.  
200 East Main Street  
Lexington, Kentucky 40507

Attn: Beth Mills, Commissioner  
Department of Social Services

IN WITNESS WHEREOF, the parties have executed this Agreement  
at Lexington, Kentucky, the day and year first above written.

LEXINGTON-FAYETTE URBAN  
COUNTY GOVERNMENT

COMMUNITY ACTION COUNCIL

BY: \_\_\_\_\_  
Jim Gray, Mayor

BY: \_\_\_\_\_  
Title: \_\_\_\_\_

ATTEST:

\_\_\_\_\_  
Clerk of the Urban  
County Council

\* The addendum referenced in items 4 and 11 must be attached  
to this document and approved prior to the start of fiscal year  
payments.



## Addendum

**Agency:** Community Action Council

**Program Name:** Community Action Council's Basic Human Services

**LFUCG Partner Agency Program Funding:** \$147,975

**Program Summary:** The services specifically named in this proposal will serve 29,313 people. The following numbers identify the approximate number of people enrolled in each of the services. Approximately, 2,600 participants annually enroll in KU's HEA program, 850 participants receive weatherization measures through KU's WeCare program. CAC continues to provide critical transportation services throughout Fayette County for elderly people who are low-income and disabled in order to ensure their basic health and nutrition needs are met. Over a one year period, CAC vehicles and drivers pick up more than 4,000 residents at 9 participating senior citizen apartment complexes and transport them by bus to area grocery stores two times per week for essential shopping with an additional 75 individual prescriptions delivered each year. CAC offers approximately 51 vouchers through its essential Demand/Response Transportation program. Annually, CAC serves more than 1,200 children through its child development programs and approximately 33 seniors support 82 children in a one-on-one setting to achieve developmental milestones and enter school "ready to learn." Approximately 450 volunteers complete 91,500 hours of volunteer service. Approximately 115 volunteers complete weatherization measures to 40 homes, annually, through Winterblitz.

**Long-Term Program Goals:** People in Fayette County with low-income will pay utility bills at least 20 percent below those proposed by regulated utilities as measured by the difference between utility proposals and final tariff sheets approved by the Kentucky Public Service Commission. This will include intervention in at least two rate cases in 2012-2013. Initiatives ordered by the Kentucky Public Service Commission will provide additional utility subsidy assistance to at least 6,000 households with low-income annually (increase over 4,950 currently) as measured by program slots available on 6/30/2013.

Long-term goal for all services:

CAC's activities are designed to move Fayette County residents with low-incomes toward states of stability and/or self-sufficiency. Programs and activities are designed to address the County's rising poverty rate by meeting the needs of both those residents with low-incomes, such as seniors on fixed incomes and the disabled, who benefit from programs that provide both immediate and ongoing stability as well as residents in a position to work toward self-sufficiency. CAC's services combat poverty and ultimately have as their long-term goal to reduce poverty rates and ease the stress and suffering associated with low-incomes. Proposed activities to that end include advocacy for affordable utilities – a long-term solution in a time of rising rates and stagnant wages and programming that makes utilities more affordable via home weatherization and bill subsidies.

INPUTS	ACTIVITIES	OUTPUTS	OUTCOMES
Staff resources with outside legal assistance in providing research, testimony and negotiations before and after utility rate cases are filed.	Community Action Council intervention in at least two utility rate cases in 2012-2013.	Kentucky Public Service Commission orders or approves a settlement resulting in utility rates at least 20% below originally proposed levels.	<b>Our activities will lead to Fayette County residents paying utility rates at least 20% below rates originally proposed to take effect in 2012-2013.</b>
Staff resources with outside legal assistance in providing research, testimony and negotiations before and after utility rate cases are filed.	Community Action Council intervention in at least two utility rate cases in 2012-2013.	Kentucky Public Service Commission approves new or expanded benefits to low-income utility customers	<b>Activities will generate at least \$1 million in new or expanded low-income benefits.</b>
Provide senior transportation assistance through direct transport (CAC buses) or provision of WHEELS vouchers.	Transport seniors to and from basic needs shopping from senior housing locations for low-incomes; provide prescription delivery.	11,400 trips provided to 850 seniors for basic needs shopping; 75 prescription delivery trips.	<b>Our activities will lead to approximately 850 seniors living more independently as measured by the number of basic needs shopping trips and prescription deliveries provided.</b>
Senior volunteers with low-income will work one-on-one with a minimum of 75 children to increase the child's age-level norms and support their ability to enter kindergarten, "ready to learn."	Senior volunteers with low-income will work with children for a minimum of 3 months	Senior volunteers with low-income will meet with each child at least once a week.	<b>Our activities will lead to increase a child's age level norms as measured by mid and post assessment results for children working with a senior with low-income.</b>
CAC will mobilize at least 450 volunteers to participate in community revitalization and anti-poverty initiatives.	Volunteers will participate in such activities as; easing the stress of caregivers in adult day care facilities, providing energy education and participate in Winterblitz, and facilitating energy assistance to individuals participating in LIHEAP	A total of 91,500 hours will be donated to the community for anti-poverty related initiatives.	<b>Our activities will lead to the mobilization of 450 volunteers and 91,500 hours donated to the community.</b>

<b>INDICATOR</b>	<b>MEASUREMENT TOOL/APPROACH</b>	<b>SAMPLING STRATEGY &amp; SIZE</b>	<b>FREQUENCY &amp; SCHEDULE OF DATA COLLECTION</b>
Final utility tariff sheets showing actual rates versus originally proposed rates.	Public records.	All Fayette County utility ratepayers.	Twice annually.
Commission's Order	Public records	Eligible low-income households receiving the new or expanded benefit	Twice annually
Number of trips and vouchers provided; feedback from riders	Council transportation records and rider surveys.	Approximately 850 seniors will receive transportation assistance.	Quarterly updates through CAC's Results Oriented Management and Accountability (ROMA) report.
Number of times a senior volunteer with low-income meets with a child in a one-on-one capacity	Mid and post developmental assessment ratings	Approximately 33 seniors with low-income will work with a minimum of 75 children	Mid and post assessment results (twice a year) as well as quarterly updates through CAC's ROMA report
Number of volunteers and hours that are tracked by sign-in sheets	Data management system (VOLGISTICS) tracks the number of participants and hours	The number of volunteers and hours for each volunteer function	Quarterly updates through CAC's Results Oriented Management and Accountability report.