

**PURCHASE OF SERVICE AGREEMENT**

**THIS PURCHASE OF SERVICE AGREEMENT**, made and entered into on the 9<sup>th</sup> day of July, 2013, by and between the **LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT**, an urban county government of the Commonwealth of Kentucky pursuant to KRS Chapter 67A (hereinafter "Government") on behalf of its Department of Law (hereinafter "Sponsor"), and **LEXINGTON-FAYETTE URBAN COUNTY HUMAN RIGHTS COMMISSION** (hereinafter "Organization"), an agency created pursuant to Section 2-26 of Article II of Chapter 2 of the Code of Ordinances, Lexington-Fayette Urban County Government, with offices located at 162 East Main Street, Lexington, Kentucky 40507;

**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 employs Organization for the period beginning on July 1, 2013, 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 Two Hundred, Thirty-five Thousand Dollars (\$235,000.00) for the services required by this Agreement, said services being more particularly described in the Addendum attached hereto and incorporated herein by reference, one-twelfth (1/12th) of which shall be payable each month, July to June, inclusive.

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 services rendered bears to the services required hereunder.

4. Organization shall perform all duties and services included in the Addendum attached hereto faithfully and satisfactorily at the time, place and for the duration prescribed herein. Organization shall keep itself fully informed of all national 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 is not required to file federal, state or local income tax returns. However, this Agreement shall not become effective unless and until copies of the Organization's withholding tax statements filed with the Lexington-Fayette Urban County Government for calendar year 2012 have been registered by the Organization in the office of the Commissioner of the Sponsor, and the Organization shall not be compensated unless and until such registration has taken place.

6. The Organization shall, at the beginning of each month, on such forms as the Sponsor shall provide, submit to Sponsor: a report containing, for each of the services enumerated in the Addendum attached hereto which will be provided in the coming month, (a) a description of the services to be provided, including the quantity and quality of the services to be provided, and (b) the personnel costs, administrative costs, fixed costs, and any other direct or indirect costs to be incurred in providing the services; and an invoice requesting compensation for the services to be provided during the coming month. Any and all provi-

sions of this Agreement to the contrary notwithstanding, the compensation of Organization for each month of the Agreement shall not be paid unless and until Organization submits the monthly report and invoice required hereunder.

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 at all reasonable times, and if it desires, it may have the books and papers of the Organization 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, or to constitute Organization an agent of the Government.

9. The right of access guaranteed Government and/or persons designated by the Government in clauses 7 and 8 of this Agreement shall not provide Government or persons designated by the Government access to any material within the possession of the Organization that is confidential or privileged pursuant to any applicable statute, ordinance, rule or regulation. This Agreement is in its entirety, subject to the provisions of Section 2-26 et seq.

of the Code of Ordinances, Lexington-Fayette Urban County Government, and the Charter of the Lexington-Fayette Urban County Government.

10. Organization shall provide equal opportunity in employment for all qualified persons, shall prohibit discrimination in employment because of race, color, creed, national origin, sex, age, sexual orientation or gender identity, or handicap, shall promote 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.

11. 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 the Department of Law for review within thirty (30) days of the execution of this Agreement.

12. This instrument and the Addendum incorporated herein contain 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.

13. 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 investments 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 regulations. The trust department may utilize its regular short-term 100% U.S. 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" investments, 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 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 fully insured.

- D. Audit--All investments shall be audited at least annually by independent certified public accountants 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.

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

LEXINGTON-FAYETTE URBAN COUNTY  
GOVERNMENT

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

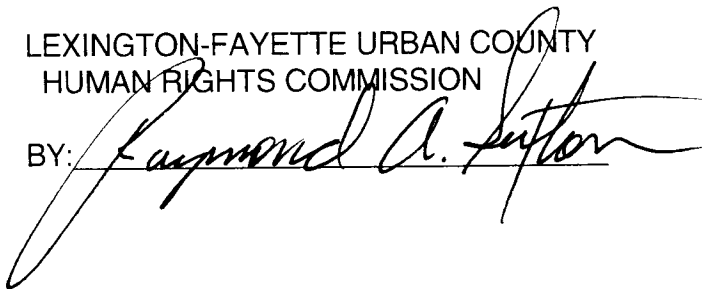
  
JIM GRAY, MAYOR

ATTEST:

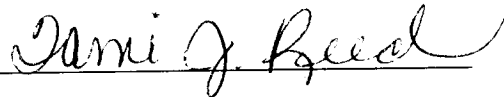
  
CLERK OF URBAN COUNTY COUNCIL

LEXINGTON-FAYETTE URBAN COUNTY  
HUMAN RIGHTS COMMISSION

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



ATTEST:



## ADDENDUM

1. Receive, initiate, investigate, seek to conciliate, hear and determine charges of violations of ordinances, orders, or resolutions forbidding discrimination adopted by the Lexington-Fayette Urban County Government.
2. Compel the attendance of witnesses and the production of evidence before it by subpoena issued by the Fayette Circuit Court.
3. Issue remedial orders, after notice and hearing, requiring cessation of violations.
4. Issue such affirmative orders, authorized by law, as in the judgment of the local Commission will carry out the purposes of Sections 2-26 through 2-32 of Article II of Chapter 2 of the Code of Ordinances.
5. Employ an executive director, attorneys, clerks, and agents, and expend its funds and contract for services or property.
6. Meet not less than once a month.
7. Make, amend and rescind rules and regulations as provided in Sections 2-26 through 2-32 of Article II of Chapter 2 of the Code of Ordinances, Lexington-Fayette Urban County Government; and the rules and regulations of the Commission.
8. Submit an annual report on July 1 of each year to the Mayor and the Urban County Council, which report shall contain a summary of its activities for the preceding year, a physical inventory of all property, and audit of all receipts, expenditures and funds on hand.