

PURCHASE OF SERVICE AGREEMENT

THIS PURCHASE OF SERVICE AGREEMENT, made and entered into on the _____ day of _____ 2026 (the "Execution Date"), by and between the **LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT**, an urban county government of the COMMONWEALTH OF KENTUCKY created pursuant to KRS Chapter 67A ("LFUCG"), 200 East Main Street, Lexington, Kentucky 40507, and **IEC OF THE BLUEGRASS, INC.**, a 501(c)(3) nonprofit organization, ("Organization") with a mailing address of 493 Blue Sky Parkway, Lexington, KY 40509.

WITNESSETH

WHEREAS, it is the public policy of the Lexington-Fayette Urban County Government to encourage, promote, and support economic development, new job training, and job placement for the public purposes of providing employment opportunities for its residents and alleviating conditions of unemployment and poverty; and

WHEREAS, LFUCG solicited Requests for Proposals (RFP) from organizations to provide workforce and development services through RFP #15-2026 Economic and Workforce Development; and

WHEREAS, the Organization submitted a proposal which was deemed by LFUCG to be one of the best and most responsive proposals to implement the services;

WHEREAS, the Organization has agreed to commit to assisting a minimum of at least thirty (30) individuals in job training and placement and in finding, obtaining, and keeping gainful employment; and

NOW, THEREFORE, in consideration of the mutual promises and covenants set forth herein, the receipt and sufficiency of which are acknowledged, the parties hereby agree as follows:

1. DEFINITIONS.

"Workforce Development Manager" shall be the Workforce Development Manager of the Lexington-Fayette Urban County Government or its equivalent.

2. EFFECTIVE DATE; TERM. This Agreement shall commence on July 1, 2026 (the "Effective Date") and shall last until June 30, 2027 (the "Term") unless terminated by LFUCG at an earlier time.

3. RELATED DOCUMENTS. This Agreement shall consist of the terms herein as well as the following additional documents, which are attached hereto as exhibits and incorporated herein by reference as if fully stated:

- a. Exhibit "A" – RFP #15-2026, Economic and Workforce Development
- b. Exhibit "B" – Organization's Response to RFP #15-2026
- c. Exhibit "C" – Program Budget

To the extent that there is any conflict between or among any of these documents, the terms and provisions of this Agreement shall prevail, followed by terms and provisions of Exhibit "A", "B", and "C" in that order.

4. SCOPE OF SERVICES. Organization shall perform the services outlined in the attached Exhibits for LFUCG in a timely, workmanlike and professional manner (the "Services").

a. By the end of the Term, at least thirty (30) individuals shall be trained and placed into employment by Organization as provided by this Agreement. Organization shall provide these Services to a minimum of thirty (30) separate individuals. Organization understands and agrees that, as a condition of receiving Funds under this Agreement, it will train and place at least thirty (30) individuals into employment within the Term.

b. Organization understands and agrees that at least seventy-five percent (75%) of those served shall either be Fayette County residents or must find employment in Fayette County. Failure to meet this requirement may result in intervention by LFUCG's Chief Development Officer, repayment of Funds, and may have a significant impact on future funding.

c. The individuals served pursuant to this Agreement must be different from those served in previous Purchase of Service Agreements under LFUCG's Workforce Development Grant program. Participants served by multiple organizations with money provided under this government program may only be counted by one organization.

d. Any alteration in the duties and services provided herein constitutes an amendment to this Agreement and must be in writing, via email, and approved by the Economic Development Investment Board and the Urban County Council. Organization represents that the services specified in the Exhibits would not have been delivered to these participants without the Funds provided in this Agreement and understands that the Government is relying upon this representation as a condition of providing the Funds.

5. PAYMENT. LFUCG shall pay Organization a total amount not to exceed Fifty Thousand Dollars and Zero Cents (\$50,000.00) ("Funds") for the performance of the Services. Payments shall be made quarterly for expenditures the Organization actually

incurred, only after receipt of quarterly invoices and the quarterly reports described in Section 7. The Funds shall be subject to and contingent upon the final approval by the Urban County Council of the Lexington-Fayette Urban County Government's Fiscal Year 2027 budget.

a. The Organization agrees to adhere to the program's budget as fully described in Exhibit C to provide the required Services. The Funds are limited to the expenses provided in Exhibit C. Notwithstanding the foregoing, a minimum fifty percent (50%) of Funds received under this Agreement must be spent on direct participant training services or direct participant activities/supportive services, such as tuition, transportation costs, testing fees, uniforms, and identification costs. Direct participant training services or direct participant activities/supportive services do not include staff salaries or benefits or other administrative costs. Salary increases shall not be derived from the Funds provided by this Agreement. Any alteration in the budget for such services constitutes an amendment to this Agreement and must be in writing, via email, and approved by the Economic Development Investment Board and the Urban County Council. The Workforce Development Manager shall make the final decision regarding whether an invoiced expense is eligible under this Agreement. Absent any additional written agreement stating otherwise any travel or other expenses are included in the above payment.

b. LFUCG shall make payment under this Agreement upon timely submission of a quarterly invoices and quarterly reports from Organization specifying that the Services have been performed, accompanied by data satisfactory to LFUCG to document entitlement to payment for the Services performed to date. LFUCG shall have thirty (30) days from the date of receipt of the invoice to pay the invoice amount. LFUCG reserves the right to refuse payment if it is determined by LFUCG that the Services performed or materials provided for the Services are inadequate or defective. Organization's invoice must include documentation indicating the expenditure was incurred and is eligible to be reimbursed pursuant to this Section. The Workforce Development Manager, in his or her sole discretion, shall make the final determination regarding adequacy of the documentation and approval of invoices.

c. LFUCG also reserves the right to reject any invoice submitted for services more than sixty (60) days after the services were rendered.

6. TERMINATION. LFUCG, through the Mayor or the Mayor's designee, may terminate this Agreement for any reason whatsoever by providing Organization with at least thirty (30) days advance written notice. Organization shall be entitled to compensation due under this Agreement as the services rendered bears to the services required.

a. In the event of a termination based upon a material condition of non-performance or default by Organization, LFUCG shall provide Organization advance written notice and a reasonable period of time to cure the breach.

b. Organization may only terminate this Agreement based upon LFUCG's failure to timely pay for properly invoiced and accepted work. Organization shall provide LFUCG with at least thirty (30) days advance written notice and an opportunity to cure prior to termination.

c. Organization acknowledges that LFUCG is a governmental entity, and that the validity of this Agreement is based upon the availability of appropriated funding. In the event that such funding is not appropriated in a future fiscal year, LFUCG's obligations under this Agreement shall automatically expire without penalty to the LFUCG thirty (30) days after written notice to Organization. LFUCG shall exercise any application of this provision in good faith.

7. REPORTING. Organization shall provide LFUCG with timely reports and updates related to the provisions of the Services in the form and manner reasonably specified by LFUCG.

a. The Organization shall, by October 10, 2026, January 10, 2027, April 10, 2027, and July 10, 2027, submit electronically to the CDO, in the form provided by the Workforce Development Manager, a report containing documentation that the duties and services required in the Exhibits are being fulfilled for the previous quarter. Absent extenuating circumstances, failure to electronically submit the quarterly report described herein by the required date shall result in the Organization repaying the full Funds received under this Agreement. In addition, Organization may be required to present a progress report as to its activities before the Economic Development Investment Board at the call of the chair, or as otherwise instructed by the Government.

b. In order to determine and evaluate job retention, the Organization shall also, on the quarterly report described above, track each individual placed into a job by the Organization in a field related to the training until each individual placed into employment by the Organization has been tracked for one (1) year from the date of initial placement. In the event that this one-year job retention tracking requirement extends past the periods required above for quarterly reports, the Organization agrees to continue tracking each individual placed into a job by the Organization on a quarterly report provided by the Workforce Development Manager until each individual placed into a job by the Organization has been tracked for one (1) year from the date of initial placement.

c. Organization agrees to complete the quarterly reports required above in good faith and to the satisfaction of the Workforce Development Manager. Any report deemed deficient by the Workforce Development Manager shall be remedied by the Organization within one month of notice thereof. The Organization further agrees that a representative of the Organization shall attend any quarterly meeting requested by the Workforce Development Manager.

d. Absent extenuating circumstances, failure to comply with this Section shall result in repayment of the Funds received under this Agreement by the Organization.

8. REGISTRATION; COMPLIANCE; AUTHORITY TO SIGN. Organization shall be lawfully registered or authorized to do business in the Commonwealth of Kentucky and Lexington-Fayette County and shall at all times comply with any and all applicable federal, state, and local laws, ordinances, and regulations and further agrees to indemnify, release, and hold harmless LFUCG, its officers, agents, and employees against any and all claims or liability arising from or based upon Organization's violation of any such laws, ordinances, or regulations. Organization shall repay the full Funds received under this Agreement if it fails to observe and comply with such laws, ordinances, and regulations during the funding period. LFUCG may request proof that Organization has timely filed federal, state, or local tax forms which shall be provided by Organization on a timely basis. The person signing this Agreement on behalf of Organization is fully authorized to do so.

9. INSURANCE; INDEMNITY. The risk management provisions of RFP #15-2026 are incorporated herein by reference as if fully stated. Copies of the required Certificates of Insurance shall be provided to LFUCG as required therein.

10. RECORDS. Organization shall keep and make available to LFUCG any records related to this Agreement as are necessary to support its performance of the services for a period of at least five (5) years following the expiration or termination of this Agreement, or as otherwise required depending upon the source of funds. Books of accounts shall be kept by Organization and entries shall be made therein of all money, goods, effects, debts, sales, purchases, receipts, payments and any other transactions of Organization related to this Agreement and shall be made available to LFUCG upon request.

a. LFUCG shall be the owner of all final documents, data, studies, plans, reports, and information prepared by Organization under this Agreement.

b. Organization understands and agrees that this Agreement and any related documents may be subject to disclosure under the Kentucky Open Records Act and will comply with any reasonable request by LFUCG to provide assistance with such a request.

11. ACCESS. Organization shall allow LFUCG any necessary reasonable access to monitor its performance under this Agreement.

12. CONTRACTUAL RELATIONSHIP ONLY. In no event shall the parties be construed, held or become in any way for any purpose the employee of the other party, or partners, associates or joint ventures in the conduct of their respective endeavors or otherwise. The parties agree that the Organization is an independent contractor and in no way will it or its employees or agents be viewed or treated as employees of LFUCG.

13. EQUAL OPPORTUNITY; FAIRNESS ORDINANCE. Organization shall provide equal opportunity in employment for all qualified persons, and shall (a) prohibit discrimination in employment because of race, color, creed, national origin, sex, age, sexual orientation, gender identity, or handicap and (b) cause any subcontractor or agency receiving Funds provided pursuant to this Agreement to do so. This program of equal employment opportunity shall apply to every aspect of its employment policies and practices. Organization agrees to comply with LFUCG's Fairness Ordinance (Ordinance No. 201-99) and all sources of applicable law, including those specified in any Exhibit attached to this Agreement and incorporated herein by reference.

14. SEXUAL HARASSMENT. Organization must adopt or have adopted 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 made available to LFUCG upon request.

15. ANNUAL AUDIT. Organization shall comply with the audit requirements of 2 CFR Part 200, Subpart F, if applicable. LFUCG shall also have the option to request an audit of all revenue and expenditures related to this Agreement. If such an audit is requested by LFUCG, the audit shall be conducted by independent certified public accountants at Organization's expense, who shall express an opinion as to whether or not revenue and expenditures during the year audited have conformed to state and local law and regulation. For any audit performed, including a 2 CFR Part 200 audit, a copy of the audit, or clean audit opinion letter from an independent certified public accountant, shall be submitted to LFUCG upon request.

16. INVESTMENT. Any investment of the Funds received pursuant to this Agreement must fully comply with any restrictions imposed by law.

17. NO ASSIGNMENT. Organization may not assign any of its rights and duties under this Agreement without the prior written consent of LFUCG.

18. NO THIRD PARTY RIGHTS. This Agreement does not create a contractual relationship with or right of action in favor of a third party against either Organization or LFUCG.

19. KENTUCKY LAW AND VENUE. This Agreement shall be governed in all respects by the laws of the Commonwealth of Kentucky and venue for all actions shall lie in the Circuit Court of Fayette County, Kentucky.

20. AMENDMENTS. By mutual agreement, the parties to this Agreement may, from time to time, make written changes to any provision hereof. Organization acknowledges that LFUCG may make such changes only upon approval of its legislative authority, the Lexington-Fayette Urban County Council, and the signature of its Mayor.

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

For Organization:

IEC of the Bluegrass, Inc.
493 Blue Sky Parkway
Lexington, Kentucky 40509
Attn: Rebecca Barnes, Executive Director (or as otherwise designated in writing by Organization)

For Government:

Lexington-Fayette Urban County Government
200 East Main Street
Lexington, Kentucky 40507
Attn: Kevin Atkins, Chief Development Officer

22. WAIVER. The waiver by either party of any breach of any provision of this Agreement shall not constitute a continuing waiver or waiver of any subsequent breach by either party of either the same or another provision.

23. ENTIRE AGREEMENT. This Agreement shall constitute the entire agreement between the parties and no representations, inducements, promises or agreements, oral or otherwise, which are not embodied herein shall be effective for any purpose. This Agreement shall replace any previous agreement between the parties on the same subject matter.

24. DEFAULT. Failure to comply with any covenant, agreement, condition, representation, or other provision contained or referred to in this Agreement in which a penalty is not otherwise provided herein, shall be a default of this Agreement and shall result in repayment of all grant Funds received and the Agreement shall be considered void.

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SIGNATURE PAGE TO FOLLOW.

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: _____
LINDA GORTON, MAYOR

ATTEST:

Clerk of the Urban County Council

IEC OF THE BLUEGRASS, INC.

BY: _____
Rebecca Barnes, Executive Director

ATTEST:

WITNESS: _____
DATE: _____

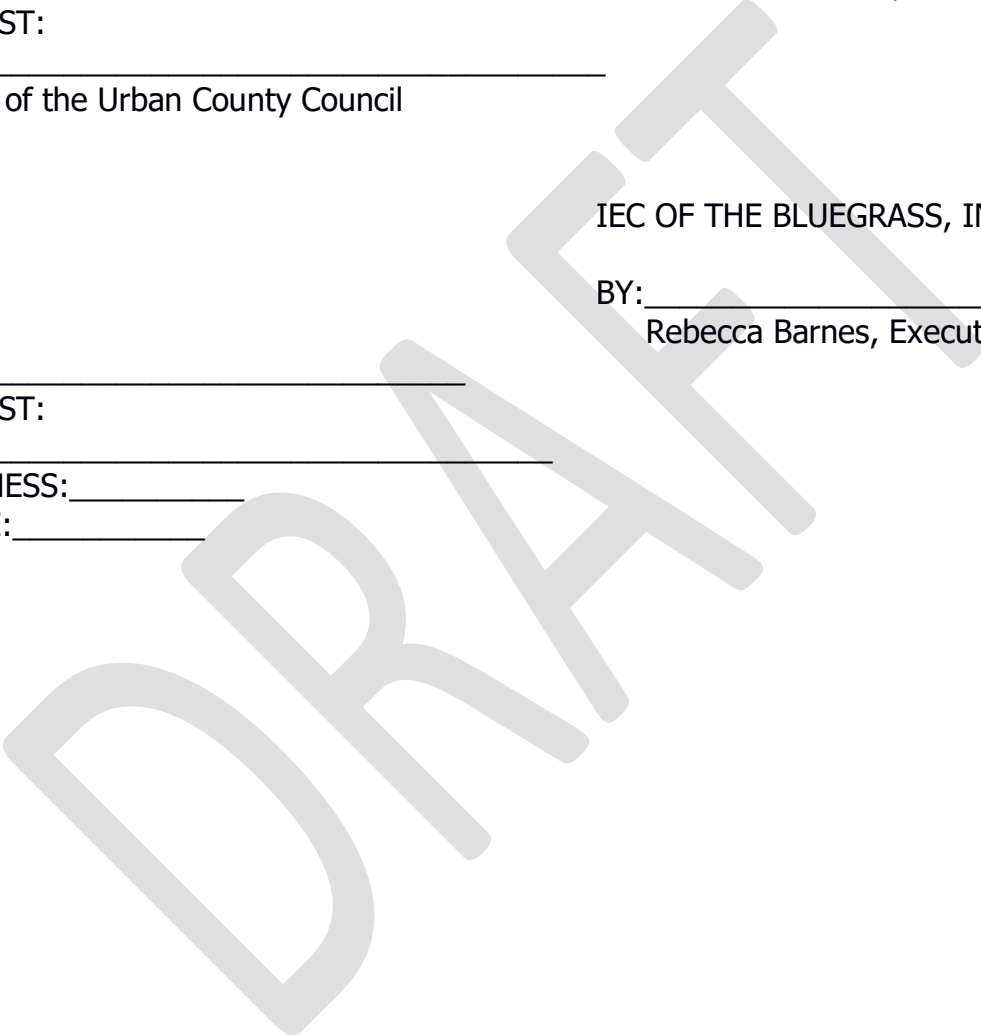


EXHIBIT "A"

Lexington/Fayette Urban County Government
IEC of the Bluegrass, Inc.

RFP #15-2026, Economic and Workforce Development

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EXHIBIT "B"

Lexington/Fayette Urban County Government
IEC of the Bluegrass, Inc.

Organization's Response to RFP #15-2026

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EXHIBIT "C"

Lexington/Fayette Urban County Government
IEC of the Bluegrass, Inc.

Program Budget

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