

## PURCHASE OF SERVICE AGREEMENT

THIS PURCHASE OF SERVICE AGREEMENT (hereinafter "Agreement"), made and entered into on the first day of July, 2016, 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, **American Red Cross** with offices located at 1460 Newtown Pike, Lexington, Kentucky 40511, (hereinafter "Organization").

### WITNESSETH

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, 2016**, 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 **Twelve Thousand, Five Hundred Dollars (\$12,500.00)** 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 2016 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 14<sup>th</sup>, 2016, January 13<sup>th</sup>, 2017 and April 14<sup>th</sup>, 2017. A year-end program report shall be submitted by July 14<sup>th</sup>, 2017.**

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.

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: Chris Ford, 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

AMERICAN RED CROSS BLUEGRASS  
CHAPTER

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:** American Red Cross Bluegrass Chapter

**Program Name:** Fayette County Disaster Relief

**LFUCG Extended Social Resource Grant Program FY17 Funding:** \$12,500

**Program Summary:** The program that we are seeking financial support for is our Fayette County Disaster Services. Red Cross Disaster Services focuses on meeting people's immediate, emergency needs whether they are the victim of a single family fire, or one of many families victimized by ice storms, floods, or tornadoes. Our main goal is to meet all the disaster related needs of our clients and assist them in returning to pre-disaster conditions. When a disaster strikes, the Red Cross provides shelter, food, clothing, and health and mental health services to address basic human needs. In the case of large scale disasters, the Red Cross also feeds emergency workers, handles inquiries from concerned family members outside the disaster area and helps those affected by disaster to access other available resources.

**Long-Term Program Goals:** The program's goals are to insure that people's immediate emergency needs are taken care of after a disaster so that those individuals and families impacted may return to pre-disaster conditions.

| ACTIVITIES   | OUTPUTS  | OUTCOMES   |
|--|--|--|
| Provide assistance to those suffering from disasters: Food, clothing, shelter, physical and mental health assistance, and appropriate community referrals. | Historically we assist 50 families composed of approximately 200 individuals each year. We anticipate similar numbers in FY15.   | <b>Meet immediate disaster needs (food, clothes, housing, physical and mental health) for 100% of clients.</b>   |
| Provide appropriate community referrals to those clients in need of assistance beyond our services.  | Each client receives referrals. In addition, we provide approximately 40 referrals each month to those contacting our office in need of non-disaster related assistance. | <b>Clients will receive the tools and support to begin returning to pre-disaster conditions through direct Red Cross aid and through other agencies.</b> |

| INDICATOR   | MEASUREMENT TOOL/APPROACH  | SAMPLING STRATEGY & SIZE   | FREQUENCY & SCHEDULE OF DATA COLLECTION           |
|---|--|--|---|
| Emergency needs of 100% of clients are met  | The services are tracked via a casework file for each client. In addition, Red Cross client satisfaction surveys are provided. | Every client has a casework file and receives a survey.  | Every client receives follow-up after a disaster. |
| Referrals offered to 100% of clients and 100% of those contacting our office for services not provided by the Red Cross | Referrals are tracked via a client's casework file. A count of phone/email referrals are kept by appropriate staff.            | Every client receives a referral list. Every person requesting services not provided by the American Red Cross receives a referral list. | Clients receive a casework follow-up.             |