

PURCHASE OF SERVICE AGREEMENT

THIS PURCHASE OF SERVICE AGREEMENT, made and entered into on the \_\_\_\_\_ 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 (“Government”), 200 East Main Street, Lexington, Kentucky 40507, on behalf of the Chief Development Officer (“CDO”) and **KENTUCKY WORLD TRADE CENTER, INC. d/b/a WORLD TRADE CENTER KENTUCKY**, a Kentucky non-stock, non-profit organization (“Organization”), with offices located at 301 East Main Street, Suite 110, Lexington, Kentucky 40507, with an effective date of July 1, 2016..

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 the Organization the sum of Seventy-TwoThousand Dollars (\$ \$72,000.00) for services required by this Agreement, said services being more particularly described in Exhibit A attached hereto and incorporated herein by reference. Eighteen Thousand (\$18,000.00) of the total sum amount shall be payable each quarter , within ten (10) days after receipt of the report required in

Paragraph 7 herein, July to June, inclusive. Lexington-Fayette Urban County Government funds may not be used raise any staff member's annual salary by more than 3% in fiscal year 2017.

3. The Organization agrees to provide the following general services as well as those listed in Exhibit A, which is attached hereto:

A. Manage and operate the World Trade Center franchise in Lexington, Kentucky;

B. Provide other such services to include, but not be limited to, trade promotion, trade counseling, trade assistance, seminars, library services to assist Kentucky businesses interested in exporting to foreign countries or otherwise doing business overseas and to assist foreign companies seeking business opportunities in Kentucky;

C. Submit an annual report each year to the Mayor and the Urban County Council, which report shall contain a summary of its activities for the preceding year.

D. File all federal, state and local tax returns which are required by the respective governmental unit and to submit copies of same to the CDO.

4. 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, or renewals thereof, as the service rendered bears to the service required hereunder.

5. Organization shall perform all duties and services described in item 3 above 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 performances 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 Organization's violation of any such laws, ordinances or regulations.

6. Organization represents that it has filed any federal, state or local income tax returns required by law in the legally prescribed time and manner for the preceding fiscal year. 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 by the Organization with the CDO, and the Organization shall not be compensated unless and until such registration has taken place.

7. The Organization shall, at the end of each quarter and by no later than the 10<sup>th</sup> day of the succeeding quarter (October 10, 2016; January 10, 2017; April 10, 2017 and July 10, 2017), on such forms as the CDO shall provide, submit to the MOED: a report containing, for each of the services enumerated in Exhibit A which were provided in the preceding quarter (a) a description of the service provided, including the costs of providing services and the quantity and quality of the service provided, and (b) the additional information requested in and submitted on the form attached hereto as Exhibit B and incorporated herein by reference (or a similar form created and provided to Organization by the Government); and (c) an invoice requesting compensation for the services provided during the preceding quarter. Failure to submit the quarterly report and invoice described

herein by the required date shall result in the quarterly payment to Organization being withheld until the next reporting period. In addition, Organization shall be required to present a progress report as to its activities annually before the Urban County Council's Budget, Finance & Economic Development Committee, or as otherwise instructed by the Government.

8. Organization will submit to the Chief Development Officer a written report to update their efforts to have more communities join as members of the World Trade Center Kentucky no later than December 31, 2016. The report shall detail at what level those communities have become members of the organization. The report shall also compare overall organization membership for 2015 and 2016.

.9 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.

. 10 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.

. 11 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 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.

. 12 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.

. 13 The Organization agrees that all revenue and expenditures shall be audited at least annually by independent certified public accountants who shall express an opinion as to whether or not revenue and expenditures during the year audited have conformed with state and local law and regulation. A copy of this audit shall be submitted to the Government within ten (10) days of completion.

.14 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.

. 15 This instrument 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.

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

For Organization: World Trade Center Kentucky  
301 East Main Street, Suite 130  
Lexington, Kentucky 40507  
Att: J. Edwin Webb, President & Chief Executive Officer (or  
as otherwise designated in writing by Organization)

For Government: Lexington-Fayette Urban County Gov.  
200 East Main Street  
Lexington, Kentucky 40507  
Att: Kevin Atkins, Chief Development Officer

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:

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

KENTUCKY WORLD TRADE CENTER,  
INC. d/b/a WORLD TRADE CENTER  
KENTUCKY

BY: \_\_\_\_\_  
Zachary Scott, Chairman

ATTEST:

\_\_\_\_\_  
WITNESS/DATE: \_\_\_\_\_



## **EXHIBIT “A”**

### **Lexington/Fayette Urban County Government**

#### **Addendum for Services**

#### **World Trade Center Kentucky**

### **Scope of Work**

#### **Local Contribution**

During Fiscal Year 2017 (July 1, 2016 through June 30, 2017) World Trade Center Kentucky (WTC-KY) will use funds from Lexington-Fayette Urban County Government to:

- Provide trade education, consulting and business trade missions;
- Assist in accelerated trade and economic development for Lexington businesses by creating awareness along with the resources needed to succeed in the international marketplace;
- Provide International Trade education programs to educate clients on a variety of topics ranging from strategies for entering a new market to international sales contracts, as well as other current issues affecting global trade and commerce;
- Work one on one with business clients to address trade concerns unique to their companies, which will help maximize the companies' growth and potential;
- Provide customized site visits and trade missions that provide a hands-on networking opportunity for local business owners who wish to travel and to meet face-to-face with other business leaders from around the world.

**EXHIBIT "B"**

**Lexington/Fayette Urban County Government**

**Addendum for Services**

**World Trade Center Kentucky**

**LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT  
ECONOMIC DEVELOPMENT PARTNER AGENCY QUARTERLY REPORT  
FISCAL YEAR 2017**

**Economic Development Partner Agency:**

World Trade Center Kentucky (WTCKY)

**Date:**

Put Submission Date Here

**Outcome Evaluation**

Using this Addendum "B" to the World Trade Center Kentucky (WTCKY)Purchase of Service Agreement, please demonstrate progress towards stated goals and initiatives

NOTE: If there have been changes to your Lexington-Fayette Urban County Government funded program(s) necessitating amendment of your approved outcomes, please contact Kevin Atkins, Chief Development Officer, 859.258.3110 (or email at [katkins@lexingtonky.gov](mailto:katkins@lexingtonky.gov)) to discuss the proposed amendments.

**Regular Trade Programming to all Businesses Served by the Lexington-Fayette  
Urban County Government**

**1. Describe the programs offered to Lexington businesses during the previous quarter. Please also provide the number of individuals and businesses from Lexington who participated in those programs.**

ANSWER (1) HERE

**2. Did the programs offered during the recent quarter result in any new export activity/opportunities for Lexington companies?**

ANSWER (2) HERE

**3. How does Lexington based business participation in your programs compare to the same period in the previous fiscal year?**

ANSWER (3) HERE

**4. How many Lexington companies involved with your trade programming in the most recent quarter had previously not been involved in exporting?**

ANSWER (4) HERE

**Full Time Trade Specialist/Practitioner Working Daily with Lexington Businesses to Troubleshoot and Resolve Logistics, Compliance, Customs and Other Trade Issues Impacting the Successful Exporting of a Product or Service.**

**1. How many Lexington businesses/individuals worked with the Trade Specialist/Practitioner during the most recent quarter? What time of issues or services were provided to those individuals/businesses?**

ANSWER (1) HERE

**2. As a result of meeting with the Trade Specialist/Practitioner what level of new export activity was created by Lexington businesses during the most recent quarter?**

ANSWER (2) HERE

**3. Of those Lexington businesses/individuals meeting with the Trade Specialist/Practitioner how many were not previously involved in export activity?**

ANSWER (3) HERE

**4. How have your efforts in the most recent quarter assisted Lexington companies in generating new jobs, innovate and to sell to markets across the globe? Please be specific.**

ANSWER (4) HERE

**Trade Promotion Partnerships With The Office of the Governor and the Kentucky Cabinet for Economic Development**

**1. What trade missions were taken during the previous quarter? How many Lexington businesses/individuals participated in those trade missions? What was the total number of participants overall on the trade missions?**

ANSWER (1) HERE

**2. What percent of exports from Kentucky are with the countries visited on trade missions in the previous quarter?**

ANSWER (2) HERE

**3. How do the trade missions undertaken in the previous quarter assist with the efforts of the Bluegrass Economic Advancement Movement (BEAM) to increase exports during the next several years? List specific companies that have benefitted from these trade missions.**

ANSWER (3) HERE

**4. How do the trade missions undertaken in the previous quarter assist with the efforts of the BEAM Foreign Direct Investment (FDI) efforts to increase foreign investment in the BEAM region?**

ANSWER (4) HERE

## **Partnerships with the University of Kentucky**

**1. Please provide details on partnership efforts between the World Trade Center Kentucky and the University of Kentucky?**

ANSWER (1) HERE

**2. What have been the benefits of those partnership efforts been for the Lexington community during the most recent quarter?**

ANSWER (2) HERE

**Mission Statement: KWTC is a trade organization that works to help Kentucky companies export, import and establish overseas contracts and operations. KWTC provides trade consultants and research, trade missions, trade education and certification along with new business referrals and networking from across the globe**

**Please provide the measures of success during the most recent quarter based on the World Trade Center Kentucky Mission Statement. How have these measures improved when compared with the previous quarter?**

ANSWER HERE

**Describe efforts to diversify dependence on yearly funding from the Lexington-Fayette Urban County Government. What percentage of your funding is from Lexington-Fayette Urban County Government dollars?**

**1. What actions/efforts has the World Trade Center Kentucky undertaken in the most recent quarter to lessen the reliance on annual support from the Lexington-Fayette Urban County Government?**

ANSWER (1) HERE

**2. How many other counties or cities are financial contributors/members of the World Trade Center Kentucky? Please list those counties/cities if not previously mentioned.**

ANSWER (2) HERE

**CERTIFICATION**

As the Chair or Chief Executive Officer (or equivalent) of this agency, I certify that the information provided in this Quarterly Report is true and complete to the best of my knowledge and belief.

I further agree that funds received from Lexington-Fayette Urban County Government will be used for the purposes for which they were requested and approved, and that the agency will comply with the requirements set forth in the application and the approved Purchase of Service Agreement and Addendum(s).

**Name:**

INSERT NAME HERE

**Title:**

INSERT TITLE HERE

**Date:**

INSERT DATE HERE

**THIS REPORT AND ANY REQUIRED ATTACHMENT(S) ARE DUE IN THE OFFICE OF THE CHIEF DEVELOPMENT OFFICER NO LATER THAN:**

- 1ST QUARTER:** OCTOBER 14, 2015
- 2ND QUARTER:** JANUARY 14, 2015
- 3RD QUARTER:** APRIL 14, 2015
- 4TH QUARTER:** JULY 14, 2015

**THIS REPORT SHOULD BE COMPLETED AND SUBMITTED VIA EMAIL TO THE OFFICE OF THE CHIEF DEVELOPMENT OFFICER ALONG WITH QUARTERLY FUNIDNG REQUEST INVOICE TO:**

Kevin Atkins  
 Chief Development Officer  
 Lexington-Fayette Urban County Government  
[katkins@lexingtonky.gov](mailto:katkins@lexingtonky.gov)

***NOTE: All quarterly reports will be electronically date stamped by email receipt record to ensure submission by organization is on time and in accordance with the FY2017 Purchase of Service Agreement with Lexington-Fayette Urban County Government.***