

PURCHASE OF SERVICE AGREEMENT

THIS PURCHASE OF SERVICE AGREEMENT, made and entered into on the 9TH day of ~~July~~ ^{August} 2013, 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 Mayor's Office of Economic Development, ("MOED") and **COMMERCE LEXINGTON, INC.**, a Kentucky corporation, ("Organization") with offices located at Main and Rose Streets, with a mailing address of Post Office Box 1968, Lexington, Kentucky 40588.

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, 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 the Organization the sum of Four Hundred Fifty Seven Thousand Dollars (\$457,000.00) for services required by this Agreement, said services being more particularly described in Exhibit A attached hereto and incorporated herein by reference, one fourth (1/4th) of which shall be payable each quarter, within 10 days after receipt of the report required in Paragraph 6 herein, July to June, inclusive.

including the quantity and quality of the service provided, and (b) the personnel costs, administrative costs, fixed costs, and any other direct or indirect costs in providing the service; (c) the information requested in and submitted on the form attached hereto as Exhibit B and incorporated herein by reference (or a similar form created by the Government); and (d) an invoice requesting compensation for the services provided during the preceding quarter. Any and all provisions of this Agreement to the contrary notwithstanding, the compensation of Organization for each quarter of the Agreement shall not be paid unless and until Organization submits the quarterly report and invoice required hereunder. In addition, Organization shall be required to present a progress report as to its activities a minimum of two (2) times per fiscal year before the Urban County Council's Economic Development Committee, or as otherwise instructed by the Government.

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 relating to the LFUCG funds provided hereunder at all reasonable times, and if it desires, it may have said books and papers of the Organization audited and examined by auditors, accountants or attorneys. Any examination shall be at the expense of the Government.

conformed to state and local law and regulation. A copy of this audit shall be submitted to the MOED within 10 days of completion.

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 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.

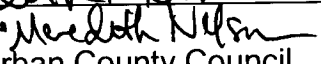
C. Investment Policies--Safety and Prudence.

(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.


LEXINGTON-FAYETTE URBAN
COUNTY GOVERNMENT

BY: 
JIM GRAY, MAYOR

ATTEST


~~Susan Lamb~~ 
Clerk of the Urban County Council

COMMERCE LEXINGTON, INC.

BY: 
ITS: PRESIDENT & CEO

ATTEST


WITNESS: Gina H. Greathouse
DATE: 8 9 13

Bluegrass Business Development Partner

2013/14 Budget

A. Workforce Development Programs --Brain Gain/Education Initiatives

Outreach Coordinator/technology platform for volunteer portal (BEN)	35,000.00
Workforce Development Efforts focusing on technical education	10,000.00
Connecting/retaining Lexington area college students	10,000.00
High Performance Internship/Scholarship Initiative	6,000.00
Support for specialized education initiatives at secondary & post-secondary levels	8,000.00
Talent recruitment efforts	8,000.00
<u>Total</u>	<u>77,000.00</u>

B. Expansion of Minority Business Program locally and into the region

Access Loan Program	10,000.00
Procurement Opportunities and Minority Business Accelerator	16,000.00
Certification Assistance - Tri-State Minority Supplier Development Council & other certification entities	8,000.00
Minority Mainstreaming Initiatives	11,000.00
Operations	30,000.00
<u>Total</u>	<u>75,000.00</u>

C. Start-up/Existing Business/Recruitment

Maintain Existing Business Program	30,000.00
Travel /Expenses to support client meetings, trade shows, lead generation, corporate visits & consultant visits	65,000.00
Marketing, Web, Alumni Initiatives, Marketing Research Partnership (Applied Marketing)	115,000.00
Entre/Develop & support of other small initiatives.	25,000.00
<u>Total</u>	<u>235,000.00</u>

D. Bluegrass Business Development Partnership (BBDP)

Entrepreneurial Development & ICC and SBDC Support	31,500.00
Marketing & Sponsorships	20,000.00
Student Intern	5,000.00
Rent	13,500.00
<u>Total</u>	<u>70,000.00</u>

Total Budget Request

457,000.00