

PURCHASE OF SERVICE AGREEMENT

THIS PURCHASE OF SERVICE AGREEMENT, made and entered into on the ^{Mon 2014} ~~Wed~~ day of July, 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 the **BLUEGRASS AREA DEVELOPMENT DISTRICT** ("Organization"), with offices located at 699 Perimeter Drive, Lexington, Kentucky 40517.

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 **Seventy-Five Thousand One Hundred Ten Dollars (\$75,110.00)** for the services required by this Agreement, said services being further described in Exhibit "A" which is attached hereto and incorporated herein by reference as if fully stated herein, one fourth (1/4th) of which shall be payable each quarter, within ten (10) days after receipt of the report required in Paragraph 6 herein.

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 total service required hereunder.

4. Organization shall provide all duties and services under this Agreement faithfully and satisfactorily at the time, place and duration prescribed herein. Compensation paid pursuant to this Agreement shall be used exclusively for the purposes set forth herein and for no other purpose. Any alteration or modification in the nature of such services or duties constitutes an amendment to this Agreement and must be in writing signed by both parties. 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 Organization's violation of any such laws, ordinances or regulations.

5. Organization represents that it has filed any federal, state or 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's most recent or current tax year are registered by the Organization in the MOED, and the Organization shall not be compensated unless and until such registration has taken place.

6. The Organization shall, at the end of each quarter and by no later than the 10th working day of the succeeding quarter, on such forms as the MOED 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 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.

8. Government may designate such persons as may be necessary to monitor and evaluate the services rendered hereunder 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. 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.

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 the MOED for review within thirty (30) days of the execution of this Agreement.

11. 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 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.

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.

13. 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.

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

For Organization: Bluegrass Area Development District
699 Perimeter Drive
Lexington, Kentucky 40517
Attention: Executive Director

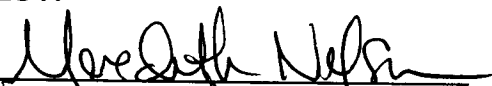

For Government: Lexington-Fayette Urban County Government
Kevin Atkins, Chief Development Officer
200 East Main Street
Lexington, Kentucky 40507

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:


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

BLUEGRASS AREA DEVELOPMENT
DISTRICT

BY: 
DAVID DUTTLINGER
INTERIM EXECUTIVE
DIRECTOR

ATTEST:

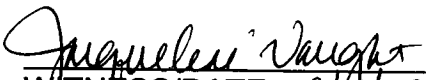

WITNESS/DATE: 9/4/13

EXHIBIT "A"

Lexington/Fayette Urban County Government

Addendum for Services

Bluegrass Area Development District

Scope of Work

Local Contribution

During fiscal year 2014 the BGADD will use these funds to promote regional solutions to local issues. The LFUCG's contribution of \$34,850.00 is commingled with contributions from other member governments to create a unique fund. The resulting fund is used to match state and federal grants and to pay expenses deemed necessary by the BGADD Board of Directors for which no state/federal grant monies are available. The BGADD uses this fund to support the overall operating costs of providing a forum for member governments to come together to explore solutions to issues of regional significance. The contribution rate was set in 1972 to be 13¢ per capita. All member governments, except LFUCG, contribute annually at that rate,

Senior Services

During fiscal year 2014 the BGADD will use \$40,260.00 as portion of a regional match to state HOMECARE funds. The HOMECARE funds are contracted to Bluegrass Community Action Partnership for home delivered meals in Fayette County and to Lifeline who provided in-home services to keep elderly in their homes.

Mayor's Office of Economic Development

Quarterly Economic Development Agency Report

Agency:

Fiscal Year:

Quarter:

Total Agency Budget (Current FY):

LFUCG Funding (Current FY):

Activities Summary

Please provide a summary of your agency's activities for the preceding quarter. Please include economic development announcements, workshops held, RFPs issued, and any other activities.

--

Economic Development Metrics

Please provide your economic development metrics for the preceding quarter in Lexington-Fayette County. Please add any additional metrics that your organization tracks to the table below.

	Q1	Q2	Q3	Q4	YTD
Clients Served					
Client Meetings					
Consultant Meetings					
Direct Jobs Created					
Businesses Started					
Indirect Jobs Created					
Induced Jobs Created					
Funding Recieved					
Capital Investment					
Workshops/Training					
Workshops/Training Attendance					
Total Economic Impact					

Job Creation Metrics

Please provide your job creation metrics in Lexington-Fayette County in the preceding quarter. Please add any additional metrics that your organization tracks to the table below.

	Q1	Q2	Q3	Q4	YTD
Direct Jobs - Average Wage					
Direct Jobs - Median Wage					
LFUCG Payroll Revenue Generated					
FCPS Payroll Revenue Generated					

Incentives

Please provide information regarding any local incentives your organization worked on that were approved by the Lexington-Fayette Urban County Council in the preceding quarter.

	Q1	Q2	Q3	Q4	YTD
Number of Companies Receiving Local Incentives					
Jobs Created					
Total Projected New Revenue (Over 10 years)					
Maximum Value of Incentive (Over 10 years)					

Net Projected New Revenue (Over 10 Years)					
---	--	--	--	--	--

Expenses

Please provide your expenditure of LFUCG funding for the preceding quarter. Please fill in any programs which have expenses that do not fall under the other categories.

		Q1	Q2	Q3	Q4	YTD
Personnel	Salaries					
	Taxes and Benefits					
	Professional Services					
Operating	Advertising, Marketing & Promotion					
	Dues & Subscriptions					
	Travel & Entertainment					
	Rent – Office					
	Utilities					
	Telephone					
	Building Maintenance & Supplies					
	Rent – Equipment					
	Office Supplies, Equipment & Furnishings					
	Postage					
	Professional Development & Training					
	Taxes & Insurance					
	Interest & Fees					
	Miscellaneous					
	Programs					
Capital	Land & Buildings					
	Vehicles & Equipment					
Total	Personnel					
	Operating					
	Programs					
	Capital					
Total Quarterly Expenses						

Please provide a description below of any categories with large variances quarter-to-quarter and any categories with quarterly expenses greater than 5% of your annual LFUCG allocation for this fiscal year.

--

Please attach any additional documents that support or expand upon the information reported above.