

**PURCHASE OF SERVICE AGREEMENT**

THIS PURCHASE OF SERVICE AGREEMENT, made and entered into on the 21<sup>st</sup> day of 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 the **LEXINGTON, KENTUCKY CHAPTER OF THE SERVICE CORPS OF RETIRED EXECUTIVES, ASSOCIATION, INC.**, ("Organization") with offices located at 389 Waller Avenue, Suite 130, Lexington, Kentucky 40504.

**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 Five Thousand Five Hundred Forty Dollars (\$5,540.00) for services required by this Agreement, said services being more particularly described in Exhibit A attached hereto and incorporated herein by reference, one fourth (1/4<sup>th</sup>) of which shall be payable each quarter, within 10 days after receipt of the report required in Paragraph 6 herein, July to June, inclusive.

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 consulting assistance for Fayette County small business owners related to starting, managing and operating a small business in a satisfactory manner. 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. In addition, Organization shall provide Government with timely and satisfactory evidence that it has fulfilled any underlying lease obligations that it has for the rental or lease of any space related to the provision of its services upon the request of Government.

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 10<sup>th</sup> 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.

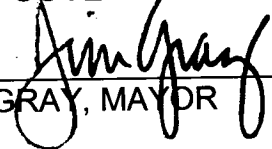
- D. Audit--All investments shall be audited at least annually by independent certified public accountants who shall express an opinion as to whether or not investments during the year audited have conformed with state and local law and regulation and with the approved investment policies.

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

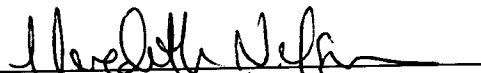
not contained in this written Agreement shall be valid and binding; and this Agreement may not be enlarged, modified or altered except in writing signed by the parties and endorsed hereon.

IN WITNESS WHEREOF, the parties have executed this Agreement at Lexington, Kentucky, the day and year first above written.

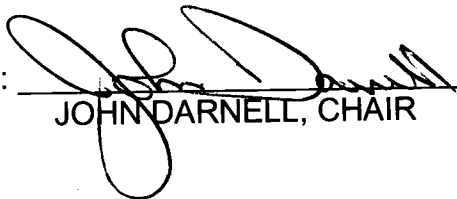
LEXINGTON-FAYETTE URBAN  
COUNTY GOVERNMENT

BY:   
JIM GRAY, MAYOR


ATTEST:

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

LEXINGTON, KENTUCKY CHAPTER  
OF SERVICE CORPS OF RETIRED  
EXECUTIVES, ASSOCIATION, INC.

BY:   
JOHN DARNELL, CHAIR

ATTEST:

  
WITNESS/DATE: 7/26/13

## Lexington SCORE Chapter 276

### IV. PROGRAM NARRATIVE

1. A Mission statement: "SCORE provides resources and expertise to maximize the success of existing and emerging small businesses."

All Lexington SCORE Chapter 276's counseling services are provided at no cost to our clients by over 20 experienced current or former small business owners or company executives who volunteer their time to encourage and support small business growth and development in the Lexington area.

1. B LFUCG funding would partially support all of Lexington SCORE Chapter 276's programs and services:

- Counseling and mentoring small business owners and prospective small business owners.
- Workshops and seminars for entrepreneurs, existing small businesses, and people considering starting a small business.
- Office and meeting space to support SCORE counseling sessions.
- Staffing the Chapter office; currently the office is open from 9:30 a.m. to 12:30 p.m., Monday through Friday
- Advertising and other promotional costs to increase the public's awareness of SCORE and the free services it offers to small businesses in central Kentucky.
- Advertising and other promotional costs to aid SCORE in recruiting and training additional volunteers so the programs and services it offers can be expanded.
- Equipment and materials used in accomplishing its mission.

1. C The two most prominent agencies providing similar services are Kentucky Small Business Development Center and Community Ventures. Lexington SCORE Chapter 276 differs from these agencies in that SCORE offers only counseling, mentoring, and training programs provided by experienced small business owners and business executives. Many of our counselors have first-hand experience in dealing with issues confronting our clients and can offer practical guidance in solving problems. In addition, all SCORE counselors are volunteers – we have no paid employees, only one part-time, contract receptionist and office administrator.

1. D Lexington SCORE Chapter 276 serves all demographic groups who are engaged in small business or contemplate starting a small business. In 2011 we had 1,009 client contacts with 20 volunteer counselors, a 122% increase over 2010's 455