

PURCHASE OF SERVICE AGREEMENT

THIS PURCHASE OF SERVICE AGREEMENT, made and entered into on the 17 day of May 2018, 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 CONFERENCE FOR COMMUNITY AND JUSTICE D/B/A THE PLANTORY** and **FOODCHAIN, INC.**, 501(c)(3) nonprofit Organizations, ("Organizations") with offices located at 501 West Sixth Street, Suite 250, Lexington, with mailing address of 501 West Sixth Street, Suite 250, Lexington, Kentucky 40508, with an effective date of July 1, 2018.

WITNESSETH

WHEREAS, it is the public policy of the Lexington-Fayette Urban County Government to encourage, promote, and support economic development, new job training, and job placement for the public purposes of providing employment opportunities for its residents and alleviating conditions of unemployment and poverty and it wishes to provide funding related to these purposes to certain qualified entities through the use of contingent funding agreements; and

WHEREAS, the Government utilized criteria related to these purposes and an application and screening process in selecting which entities, including the Organizations, would be eligible to receive funding pursuant to an agreement; and

WHEREAS, through this process and additional negotiations with the Organizations, the Organizations have agreed to commit to assisting a minimum of at least forty-four (44) unemployed individuals in job training and placement and in finding, obtaining, and keeping gainful employment in the local food industry; and

WHEREAS, the requirements of the Organizations' program, including the required number of participants served, is more particularly described herein; and

WHEREAS, it is in the public interest that the Government make a commitment of financial resources in order to encourage and support economic development endeavors, including job training and placement through the use of this type of funding agreement.

NOW THEREFORE, that for and in consideration of the mutual promises and covenants herein expressed, which is acknowledged and agreed to be sufficient consideration, the Government and the Organizations agree as follows:

- 1. The above recitals are incorporated herein as part of this Agreement.**
- 2. Definitions: For the purposes of this Agreement:**

"Year One" shall be July 1, 2018 to June 30, 2019.

"Year Two" shall be July 1, 2019 to June 30, 2020.

"Workforce Development Manager" shall be the Workforce Development Manager of the Lexington-Fayette Urban County Government or its equivalent.

3. This Agreement is intended to commence on July 1, 2018 and end on June 30, 2019, unless within that period Government gives the Organizations 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 provided to the Organizations. Subject to the budgeting of funds in future years and the Organizations' fulfillment of the requirements of this Agreement for Year One, the Government may extend this Agreement for another one-year term through Year Two.

4. In return for full performance of the terms of this Agreement by the Organizations, which shall include providing the services more fully described in Exhibit A, which is attached hereto and incorporated herein by reference, to at least forty-four (44) unique individuals in Year One, Government agrees to pay the Organizations the total sum of Fifty-Five Thousand Dollars (\$55,000). If the Government chooses to extend this Agreement for a subsequent one-year term, the Government agrees to pay the Organizations the total sum of Fifty-Five Thousand Dollars (\$55,000) to provide the services more fully described in Exhibit A to at least forty-four (44) unique individuals in Year Two. Any funds provided by Government for performance of the terms of this Agreement for Year Two shall be contingent on the funds being available and budgeted. If insufficient funds are available and budgeted to provide the total sum stated above for Year Two, the amount provided for Year Two shall be reduced by the Government commensurate with the amount of funds budgeted and available. If this occurs, the number of individuals required to be served with the funds shall be reduced in proportion to the reduction in funding provided by the Government.

5. If either Organization has entered into a Purchase of Services Agreement with the Government in the past year for services related to workforce development and provided funds under this government program, any funds provided in Year One under this Purchase of Services Agreement shall be contingent upon first fulfilling the requirements within the previous Purchase of Services Agreement, except any requirement related to tracking job retention after the job training and placement tracking requirements are satisfied. In addition to the stipulations above, any funds provided for Year Two shall be contingent upon fulfilling any job retention tracking requirements provided in any previous Purchase of Services Agreement between the Government and the Organizations related to workforce development under this government program.

6. For Year One, the Organizations shall be paid no later than thirty (30) days after the Government receives documentation that at least one individual has begun training in the program described in Exhibit A. The Organizations understands that it may send this documentation, via email, to the Workforce Development Manager prior to its first quarterly report for Year One. However, in the event the Organizations' first quarterly report for Year One does not show that the training services required in Exhibit A have commenced, all funds pursuant to this Agreement shall be forfeited and this Purchase of Services Agreement shall be considered void. If the Government chooses to extend this Agreement for a subsequent one-year term through Year Two, the Organizations shall be paid, if the funds are available and budgeted, no later than thirty (30) days after the Government receives documentation that at least one individual has begun training in the program described in Exhibit A in Year Two. The

Organizations understands that it may send this documentation, via email, to the Workforce Development Manager prior to its first quarterly report for Year Two. However, in the event the Organizations' first quarterly report for Year Two does not show that the training services required in Exhibit A have commenced, any funds for Year Two shall be forfeited.

7. Organizations represent that the services specified in Exhibit A would not have been delivered to these participants without the funds provided in this Agreement and understand that the Government is relying upon this representation as a condition of providing the funds.

8. The Organizations agree to adhere to the program's budget as fully described in Exhibit B, which is attached hereto and incorporated by reference, to provide the required services. Any alteration in the budget for such services constitutes an amendment to this Agreement and must be in writing, via email, and approved by the Workforce Development Manager. The Organizations further agrees that any salary increases shall not be derived from the funds provided by this Agreement.

9. The Organizations understand and agree that in order to retain all of the funds provided for Year One, that by no later than the last day of the applicable year, at least seventy-five percent (75%) of the total number of individuals required in Exhibit A of this Agreement must be trained and placed into employment in a position employed and working in Fayette County, preferably in jobs outside the Organizations. In the event that the Organizations do not meet this requirement, it shall be required to repay

the Government for each person not trained and placed in accordance with the following formula:

75% (The required percentage of people to be trained and placed in Fayette County)
– XX% (The percentage actually trained and placed by June 30, 2019)
x \$55,000 (The funds provided in this Agreement)

Any such repayment shall be due by no later than August 1, 2019.

10. The Organizations understand and agree that in order to retain all of the funds for Year Two, if the Government agrees to extend this Agreement for another one-year term, that by no later than the last day of the applicable year, at least seventy-five percent (75%) of the total number of individuals required in Exhibit A of this Agreement must be trained and placed into employment in a position employed and working in Fayette County, preferably in jobs outside the Organizations. In the event that the Organizations do not meet this requirement, it shall be required to repay the Government for each person not trained and placed in accordance with the following formula:

75% (The required percentage of people to be trained and placed in Fayette County)
– XX% (The percentage actually trained and placed by June 30, 2020)
x \$55,000 (The funds provided in this Agreement)

Any such repayment shall be due by no later than August 1, 2020.

11. In the event of termination of this Agreement by the Government as provided in Section 3, the Organizations will be required to repay the Government under the following formula:

75% (The required percentage to be trained and placed in Fayette County)

– XX% (The percentage actually trained and placed at the time of Termination)

x \$55,000 (The funds provided in this Agreement).

Any such repayment shall be due by no later than thirty (30) days after notice of termination of this Agreement is received by the Organizations.

12. Organizations understand and agree that no more than 10% of those served under this Agreement may live outside Fayette County at the time of enrollment into training.

13. Organizations shall perform all duties and services specified in Exhibit A faithfully and satisfactorily at the time, place, and for the duration prescribed herein. Any alteration in the duties and services provided in Exhibit A constitutes an amendment to this Agreement and must be in writing, via email, and approved by the Workforce Development Manager.

14. Each Organization shall keep itself fully informed of all national and state laws and all municipal ordinances and regulations that in any manner would affect 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 further agrees to indemnify, release, and hold

harmless Government, its officers, agents, and employees against any and all claims or liability arising from or based upon either Organization's violation of any such laws, ordinances, or regulations. The Organizations shall repay the full funds provided in this Agreement if either fails to observe and comply with such laws, ordinances, and regulations during the funding period.

15. Each Organization represents that at all times relevant to this Agreement, it shall remain in good standing with the Government as to any required registrations or certifications and shall timely pay any taxes, fees, fines, or penalties owed. Organizations further represents that it has filed any federal, state or local income tax returns required by law in the legally prescribed time and manner and shall provide copies of the same to Organizations upon request.

16. For Year One, the Organizations shall, by the tenth day of October 2018, January 2019, April 2019, and July 2019, submit electronically to the CDO on the form attached hereto as Exhibit C and incorporated herein by reference (or a similar electronic Microsoft Excel form created and provided to Organizations by the Government): a report containing documentation that the duties and services required in Exhibit A are being fulfilled for the previous quarter. Absent extenuating circumstances, failure to electronically submit the quarterly report described herein by the required date shall result in the Organizations repaying the full funds provided in this Agreement. In addition, Organizations may be required to present a progress report as to its activities before the Urban County Council's Budget, Finance & Economic Development Committee at the call of the chair, or as otherwise instructed by the Government.

17. If the Government chooses to extend this Agreement for a subsequent one-year term, the Organizations shall, by the tenth day of October 2019, January 2020, April 2020, and July 2020, submit electronically to the CDO on the form attached hereto as Exhibit C and incorporated herein by reference (or a similar electronic Microsoft Excel form created and provided to Organizations by the Government): a report containing documentation that the duties and services required in Exhibit A are being fulfilled for the previous quarter. Absent extenuating circumstances, failure to electronically submit the quarterly report described herein by the required date shall result in the Organizations repaying the full funds provided in this Agreement. In addition, Organizations may be required to present a progress report as to its activities before the Urban County Council's Budget, Finance & Economic Development Committee at the call of the chair, or as otherwise instructed by the Government.

18. In order to determine and evaluate job retention, the Organizations shall also, on the quarterly report described in Sections 16 and 17, track each individual placed into a job by the Organizations in a field related to the training until each individual placed into employment by the Organizations has been tracked for one (1) year from the date of initial placement. In the event that this one year job retention tracking requirement extends past the periods required in Sections 16 and 17 for quarterly reports, the Organizations agrees to continue tracking each individual placed into a job by the Organizations on a quarterly report provided by the Workforce Development Manager until each individual placed into a job by the Organizations has been tracked for one (1) year from the date of initial placement.

19. The Organizations understand that failure to track job retention in accordance with Section 18 may delay or prevent future funding if either Organization is selected for future funding cycles until such time as the requirements in Section 18 are satisfied or could trigger repayment of grant funds in accordance with the following formula:

XX (The number of quarters in which Organizations failed to track an individual placed into employment)

x 25%

x \$55,000 (The funds provided in this Agreement).

20. The Organizations agree to complete the quarterly reports required above in good faith and to the satisfaction of the Workforce Development Manager. Any report deemed deficient by the Workforce Development Manager shall be remedied by the Organizations within one month of notice thereof. The Organizations further agrees that a representative of the Organizations shall attend any quarterly meeting requested by the Workforce Development Manager. Absent extenuating circumstances, failure to comply with this Section shall result in repayment of the funds provided in this Agreement by the Organizations for the applicable year.

21. Books of accounts shall be kept by the Organizations and entries shall be made therein of all money, goods, effects, debts, sales, purchases, receipts, payments and any other transactions of the Organizations. The books of accounts, together with all bonds, notes, bills, letters and other writings belonging to the Organizations, shall be maintained at the principal place of business of the Organizations as set forth in this

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

22. Government may designate such persons as may be necessary to monitor and evaluate the services rendered hereunder by the Organizations. The Government, its agents and employees, shall, at all times, have unrestricted reasonable 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 either Organization, or to constitute either Organization an agent of the Government.

23. Organizations 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.

24. Both Organizations shall adopt written sexual harassment policies, 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 submitted to the CDO for review within thirty (30) days of the execution of this Agreement.

25. Organization agrees to submit a copy of its most recent tax return prepared, filed, and signed by an independent certified public accountant before any payment is provided by the Government under this Agreement.

26. This Agreement is non-assignable and the Organizations shall not assign its duties, obligations, or responsibilities under this Agreement to any other person or entity.

27. The parties agree that the both Organizations are independent contractors and in no way will either Organization or its employees or agents be viewed or treated as employees of the Government.

28. This Agreement and its enforcement shall be interpreted and subject to the laws of the Commonwealth of Kentucky and any related court action shall only be filed in Fayette County, Kentucky.

29. 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.

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

For Organizations: Kentucky Conference for Community and Justice
D/B/A The Plantory
1450 North Broadway
Lexington, Kentucky 40505


Att: Kay Hoffman, Board Chair (or as otherwise designated in writing by Organizations)

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: 
Martha Allen
Clerk of the Urban County Council

KENTUCKY CONFERENCE FOR
COMMUNITY AND JUSTICE D/B/A
THE PLANTORY

BY: 
KAY HOFFMAN, BOARD CHAIR

ATTEST: 
WITNESS: Angela Baker
DATE: 4/20/18

FOODCHAIN, INC.

BY: 
VANESSA CAYSON, BOARD CHAIR

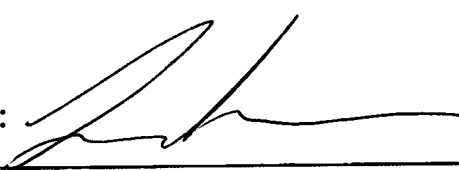
ATTEST: 
WITNESS: Leonora Forman
DATE: 4/22/18
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EXHIBIT "A"

**Lexington/Fayette Urban County Government
Addendum for Services
Kentucky Conference for Community and Justice D/B/A The Plantory
FoodChain, Inc.**

Scope of Work

Kentucky Conference for Community and Justice D/B/A The Plantory and FoodChain, Inc. ("Organizations") will use these funds from Lexington-Fayette Urban County Government to:

- **Provide an in-depth working knowledge of professional kitchen skills to participants through a minimum of eight (8) sessions, including culinary methods, essential employability soft skills, health department certification, and sanitation requirements.**
- **Provide participants with guest talks and/or visits with professionals in the food sector.**
- **Provide externship experiences for participants with partner restaurants, caterers, institutions, and food entrepreneurs.**
- **Provide job placement assistance, along with access to a network of organizations in the food sector.**

Any reference to "training" or any requirement by Organizations to "train" within this Exhibit or the Purchase of Service Agreement shall include the performance of the above services to each participant required to be served under this Exhibit and the Purchase of Service Agreement.

Total Number: By the end of each respective year, as defined in the Purchase of Service Agreement, Organizations will train and place at least forty-four (44) unique individuals into jobs related to the training who would not have been served without these funds. These individuals must be different from those served in previous Purchase of Service Agreements under this government program.

While it is the intent of the parties that the Organizations shall train and place forty-four (44) unique individuals, in order to prevent triggering repayment under Sections 9 and 10 of the Purchase of Service Agreement, at least seventy-five percent (75%) of the total number of individuals required in this Exhibit must be trained and placed into employment in a position employed and working in Fayette County, preferably in jobs outside the Organizations.

EXHIBIT "B"

**Lexington/Fayette Urban County Government
Kentucky Conference for Community and Justice D/B/A The Plantory
FoodChain, Inc.**

Budget for Services

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	Responsible Party	Total Year '18	Workforce Development Grant Requested Funds '18	Plantory grant receipt	Plantory In-kind contributions	FoodChain grant receipt	FoodChain In-Kind Contributions
Program Costs							
Curriculum Development and Implementation	14 hr/wk @ \$15/hr FoodChain	\$10,920	\$10,920	\$10,920		\$10,920	
Recruitment and Communication with Participants	15 hr/wk @ \$15/hr Plantory	\$11,700	\$11,700	\$11,700			
Partner engagement	5 hr/wk @ \$15/h Plantory	\$3,900	1305	\$1,305	\$2,595		
Project plan for long-term sustainability	Plantory	\$5,000			\$5,000		
Speaker fees for resume building workshop, and soft training skills workshops	Plantory	\$1,000			\$1,000		
Marketing and community outreach	13 hr/wk @ \$15/hr Plantory	\$10,140	\$9,579	\$9,579	\$561		
Coordination for Job Placements	6 hr/wk @ \$15/hr FoodChain	\$4,680	\$4,680			\$4,680	
Recruitment and Communication	6 hr/wk @ \$15/hr FoodChain	\$4,680	\$4,680			\$4,680	
Externships	2 hr/wk @ \$15/hr FoodChain	\$1,456	\$1,456			\$1,456	
Ingredient Collection	12 hr/wk @ \$15/hr FoodChain	\$9,360					\$9,360
Development	3 hr/wk @ \$15/h Plantory	\$1,170	\$1,170	\$1,170			
Job Followup							
Administrative							
Executive Director		\$1,200					\$1,200
FoodChain (3%)							
Executive Director	\$53,000 Plantory (8%)	\$4,240			\$4,240		
Assistant Director (8%)	\$33,000 Plantory	\$2,640			\$2,640		
Kitchen Manager		\$1,800					\$1,800
FoodChain (5%)							
Staff Fringe Benefits	Total Salary for Program						
FICA: 7.65%	Plantory and FoodChain	\$5,049			\$2,525		\$2,525
Health Insurance	Plantory	\$7,600			\$7,600		
Life Insurance	Plantory	\$312			\$312		
Retirement	Plantory	\$2,700			\$2,700		
Space							
Plantory Desk (workspace and utilities and access to trainings)	Plantory	\$3,500			\$3,500		
FoodChain Rent	\$1/wk (1500sqft) FoodChain	\$1,500					\$1,500
Utilities	FoodChain	\$1,800					\$1,800
Operating Expenses							
Insurance	FoodChain	\$4,000					\$4,000
Office supplies	Plantory	\$100			100		
Printing	Plantory	\$1,100			1100		

			Total Year '18	Workforce Development Grant Requested Funds '18	Plantory grant receipt	Plantory In-kind contributions	FoodChain grant receipt	FoodChain In-Kind Contributions		
Accounting	Plantory	1200	\$1,200			1200				
Participant Benefits										
Program Participant Stipends (44 in '18)	Plantory and FoodChain	\$500 per participant	\$22,000	\$5,000	2500	\$8,500	\$2,500	\$8,500		
Bus passes for participants	FoodChain	\$90 per participant	\$3,960					\$3,960		27500
Knives, uniforms, and shoes for participants	FoodChain	\$205 per participant	\$9,020	\$4,510			\$4,510	\$4,510		
Other										
Ingredients	FoodChain		\$5,000					\$5,000		
Packaging	FoodChain		\$2,500					\$2,500		
General Maintenance/										
Uptkeep of Equipment	FoodChain		\$2,000					\$2,000		
Consumables (gloves, towels, aprons, etc.)	FoodChain		\$2,000					\$2,000		
Travel & Training for Program Staff	FoodChain		\$2,000					\$2,000		
Total			\$151,227	\$55,000	\$26,254	\$43,573	\$28,746	\$52,655	\$0	
					\$55,000					
					\$0					

EXHIBIT "C"

**Lexington/Fayette Urban County Government
Kentucky Conference for Community and Justice D/B/A The Plantory
FoodChain, Inc.**

Quarterly Report Format

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