

PURCHASE OF SERVICE AGREEMENT

THIS PURCHASE OF SERVICE AGREEMENT, made and entered into on the ___ day of February, 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 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, 2017, 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 **Forty Thousand, Ninety-Six Dollars (\$40,096)** for the services required by this Agreement, for dues to promote regional solutions to local issues, being further described in Exhibit “A” which is attached hereto and incorporated herein by reference as if fully stated herein, July to June, inclusive. Different payment types may be paid separately at the discretion of the Government.

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 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. 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 satisfactorily completed 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
Chris Ford, Commissioner of Social Services
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:

Martha Allen
Clerk of the Urban County Council

**BLUEGRASS AREA DEVELOPMENT
DISTRICT**

BY: _____
DAVID DUTTLINGER
EXECUTIVE DIRECTOR

ATTEST:

WITNESS/DATE:_____

EXHIBIT "A"

Lexington/Fayette Urban County Government

Addendum for Services

Bluegrass Area Development District

Scope of Work

Local Contribution

During fiscal year 2018 the Bluegrass Area Development District (BGADD) will use these funds to promote regional solutions to local issues. The Lexington-Fayette Urban County Government (LFUCG) contribution of \$40,096 (based on thirteen cents per capita of estimated population of 308,428) 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 thirteen cents per capita. All member governments contribute annually.

EXHIBIT "B"

Lexington/Fayette Urban County Government

Addendum for Services

Bluegrass Area Development District

**Lexington-Fayette Urban County Government
Economic Development Partner Agency Quarterly Report
Fiscal Year 2018**

Economic Development Partner Agency:

Bluegrass Area Development District

Date

Outcome Evaluation

Using the Addendum "A" to the Bluegrass Area Development District's Purchase of Service Agreement, please demonstrate progress towards stated goals and initiatives.

NOTE: If there have been changes to your LFUCG funded program(s) necessitating amendment of your approved outcomes, please contact Theresa Maynard, Administrative Officer, Department of Social Services at theresam@lexingtonky.gov or at 859-258-3810 to discuss the proposed amendments.

State Funds

Describe any State Funding BGADD has assisted on/worked with LFUCG in applying for/obtaining during the quarter. How does this effort compare to FY14 & FY15 at this same point in the fiscal year?

Federal Funds

Describe any Federal Funding BGADD has assisted on/worked with LFUCG in applying for/obtaining during the quarter. How does this effort compare to FY14 & FY15 at this same point in the fiscal year?

Regional Significance

Describe regional issues BGADD has assisted on/worked and their relevance to LFUCG

Senior Services

Please provide details on the following:

- 1) Number of Fayette County residents served under the HOMECARE program during the quarter
- 2) The type of services provided to the residents
- 3) What is the percentage of people you are serving who are able to keep living at home
- 4) How does the Fayette County percentage compare to the percentage in Bluegrass ADD region?

PLEASE ANSWER EACH QUESTION ABOVE AS A SEPARATE BULLET POINT NOTED BY THE NUMBER INDICATED ABOVE

Kentucky State Auditor Report

Please provide a *specific* update for the recent quarter of efforts to address and correct the issues addressed in the 2015 special audit by the Kentucky State Auditor of Public Accounts. Please also indicate if any new issues have arisen as part of the efforts to address the points in the Auditor's report.

Bluegrass ADD
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Certification

As the 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 LFUCG 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.

Printed Name

Signature

Title

Date

THIS REPORT AND REQUIRED ATTACHMENT(S) ARE DUE BY:

1ST QUARTER:
OCTOBER 30, 2017

2ND QUARTER:
JANUARY 14, 2018

3RD QUARTER:
APRIL 14, 2018

4TH QUARTER:
JULY 14, 2018

**THIS REPORT SHOULD BE COMPLETED AND SUBMITTED
ALONG WITH QUARTERLY FUNDING REQUEST INVOICE
ELECTRONICALLY TO:**

THERESA MAYNARD
ADMINISTRATIVE OFFICER, DEPARTMENT OF SOCIAL SERVICES
THERESAM@LEXINGTONKY.GOV

Bluegrass ADD