

## **PURCHASE OF SERVICE AGREEMENT**

THIS PURCHASE OF SERVICE AGREEMENT (hereinafter referred to as "Agreement"), made and entered into this 26<sup>th</sup> day of <sup>August</sup> ~~July~~, 2020, by and between the **LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT**, an urban county government pursuant to KRS 67A, (hereinafter referred to as "Government"), 200 East Main Street, Lexington, Kentucky 40507, on behalf of its Office of Homelessness Prevention and Intervention (hereinafter referred to as "OHPI"), and **LIGHTHOUSE MINISTRIES**, 185 Elm Tree Lane, Lexington, Kentucky 40507 (hereinafter referred to as "Lighthouse"). Hereinafter, Lighthouse and the Government are together referred to as "the Parties."

### **RECITALS**

**WHEREAS**, OHPI and Lighthouse have identified the need for increased day shelter capacity due to the COVID-19 pandemic for those in the community experiencing homelessness and low income; and

**WHEREAS**, OHPI and Lighthouse further recognize the need for a more appropriate and central location which would allow day shelter services to more individuals in the community; and

**WHEREAS**, OHPI and Lighthouse wish to collaborate together to create the Lighthouse Day Center Program; and

NOW THEREFORE, for and in consideration of the mutual promises and covenants herein expressed, the Government and Lighthouse agree as follows:

### **I. ACTIVITIES AND ELIGIBLE EXPENSES**

(1) The Government hereby retains Lighthouse to provide a day center at 190 Spruce Street, equipped with the necessary equipment and supplies to be used as such.

(2) The Government shall pay Lighthouse a one-time payment in the amount of **TWO THOUSAND, FIVE HUNDRED DOLLARS (\$2,500.00)**, to be used exclusively for staff stipends of the location at 190 Spruce Street, for facility and client monitoring during the operational hours of Monday-Saturday, 1:30pm until 5:30pm. These staff stipends are hereinafter referred to in this Agreement as "Eligible Expenses."

(3) Lighthouse shall operate a day center at 190 Spruce Street for use by those experiencing homelessness and shall perform and provide the following duties and services:

(a) Provide a monthly report detailing the number of individuals served and number of staff providing monitoring;

(b) Comply with all CDC recommendations for day center operations under the COVID-19 pandemic including; hand sanitizer stations, requiring facial coverings be worn at all times, and social distancing.

(c) Clean and maintain the facility in a usable and working order, making it available in full for the Day Center Program for a period of at least sixty days from the date of execution of this agreement.

## **II. DURATION OF THIS AGREEMENT**

(1) The term of this Agreement shall be for sixty (60) days.

### **III. TERMS AND CONDITIONS**

(1) **Repayment Required.** Should Lighthouse fail to maintain the facility for use for the Day Center Program as described in this Agreement, Lighthouse shall repay to the Government an amount equal to **FORTY-ONE DOLLARS AND SIXTY-SEVEN CENTS (\$41.67)** for each full day remaining between the date program operations suspended and the date at which the sixty-day agreement would otherwise have expired.

(2) **Compliance with Federal Requirements.** Lighthouse acknowledges that Eligible Expenses funded or reimbursed by the Government to the Lighthouse are not considered to be grants but are "other financial assistance" under 2 C.F.R. 200.40.

Lighthouse acknowledges that this Agreement requires compliance with certain provisions of Title 2 C.F.R. 200 – Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. Lighthouse agrees to comply with all applicable federal laws, regulations, and policies governing the funds provided under this Agreement. Lighthouse further agrees to utilize available funds under this Agreement to supplement rather than supplant funds otherwise available.

During the performance of this Agreement, Lighthouse shall comply with all applicable federal laws and regulations, including, but not limited to, the following:

- (a) Fund payments are considered to be federal financial assistance subject to the Single Audit Act (31 U.S.C. §§ 7501-7507).

(b) Lighthouse is subject to a single audit or program specific audit pursuant to 2 C.F.R. 200.501(a) when Lighthouse spends \$750,000.00 or more in federal awards during its fiscal year.

(c) Fund payments are subject to 2 C.F.R. 200.303 regarding internal controls.

(d) Fund payments are subject to 2 C.F.R. 200.330 through 200.332 regarding subrecipient monitoring and management.

(e) Fund payments are subject to Subpart F regarding audit requirements.

(3) **Subcontracts.** The Lighthouse agrees that it will not enter any subcontract without prior written approval from the Government. Lighthouse further agrees that its subcontracts, if any, shall contain a provision making them subject to all of the provisions stipulated in this Agreement, including but not limited to 2 C.F.R. 200.303, 2 C.F.R. 200.330-332, 2 C.F.R. 200.501(a), and 2 C.F.R. Part 200 Subpart F.

(4) **Debarment/Suspension and Voluntary Exclusion.** Lighthouse acknowledges that non-federal entities and contractors are subject to the debarment and suspension regulations implementing Executive Order 12549, Debarment and Suspension (1986) and Executive Order 12689, Debarment and Suspension (1989) at 2 C.F.R. Part 180 and the Department of Homeland Security's regulations at 2 C.F.R. Part 3000 (Nonprocurement Debarment and Suspension). These regulations restrict awards, subawards, and contracts with certain parties that are debarred, suspended, or otherwise excluded from or ineligible for participation in federal assistance programs and activities. A contract award must not be made to parties listed in the Systems of

Award Management ("SAM") Exclusions. SAM Exclusions is the list maintained by the General Services Administration that contains the names of parties debarred, suspended, or otherwise excluded by agencies, as well as parties declared ineligible under statutory or regulatory authority other than Executive Order 12549. SAM exclusions can be accessed at [www.sam.gov](http://www.sam.gov).

Lighthouse further acknowledges that Lighthouse is not debarred or suspended and is not listed on the SAM Exclusions.

(5) **Hold Harmless.** Lighthouse shall hold harmless, release, and defend the Government from any and all claims, actions, suits, charges and judgments whatsoever that arise out of Lighthouse's performance or nonperformance of the services or subject matter called for in this Agreement.

(6) **Indemnification.** Lighthouse shall indemnify the Government, its officers, agents, employees, and the federal awarding agency, from any claim, liability, loss, injury or damage arising out of, or in connection with, performance of this Agreement by Lighthouse and/or its agents, employees or sub-contractors, excepting only loss, injury or damage determined to be solely caused by the gross negligence or willful misconduct of personnel employed by the Government. It is the intent of the Parties to this Agreement to provide the broadest possible indemnification for the Government. Lighthouse shall reimburse the Government for all costs, attorneys' fees, expenses and liabilities incurred with respect to any litigation in which Lighthouse is obligated to indemnify, defend and hold harmless the Government under this Agreement.

(7) **Misrepresentations.** Lighthouse hereby asserts, certifies and reaffirms that all representations and other information contained in Lighthouse's application, request for funding, or request for reimbursement are true, correct and complete, to the best of Lighthouse's knowledge, as of the date of this Agreement. Lighthouse acknowledges that all such representations and information have been relied on by the Government to provide the funding under this Agreement. Lighthouse shall promptly notify the Government, in writing, of the occurrence of any event or any material change in circumstances which would make any Lighthouse representation or information untrue or incorrect or otherwise impair Lighthouse's ability to fulfill its obligations under this Agreement.

(8) **Worker's Compensation.** Lighthouse shall provide Workers' Compensation Insurance coverage for all of its employee involved in the performance of this Agreement.

(9) **Insurance.** Lighthouse shall carry sufficient insurance coverage to protect any funds provided to Lighthouse under this Agreement from loss due to theft, fraud and/or undue physical damage. If Lighthouse is self-insured, it shall maintain excess coverage over and above its self-insured retention limits.

(10) **Program Fraud and False or Fraudulent Statements or Related Acts.** Lighthouse and any subcontractors must comply with 31 U.S.C. Chapter 38, Administrative Remedies for False Claims and Statements, which shall apply to the activities and actions of Lighthouse and any subcontractors pertaining to any matter resulting from a contract.

(11) **Suspension or Termination.** The Government may suspend or terminate this Agreement if Lighthouse materially fails to comply with any terms of this Agreement, which include (but are not limited to), the following:

- a) Failure to comply with any of the rules, regulations or provisions referred to herein, or such statutes, regulations, executive orders, and Federal awarding agency guidelines, policies or directives as may become applicable at any time;
- b) Failure, for any reason, of Lighthouse to fulfill in a timely and proper manner its obligations under this Agreement;
- c) Ineffective or improper use of funds provided under this Agreement; or
- d) Submission by Lighthouse to the Government reports that are incorrect or incomplete in any material respect.

(12) **Governing Law and Venue.** This Agreement shall be interpreted under, and governed by, the laws of the State of Kentucky, without regard to conflicts of laws principles. Any claim, suit, action, or proceeding brought in connection with this Agreement shall be in the Circuit Court of Fayette County and each party hereby irrevocably consents to the personal and subject matter jurisdiction of such court and waives any claim that such court does not constitute a convenient and appropriate venue for such claims, suits, actions, or proceedings.

(13) **Conflicts.** With respect to any conflict between such federal requirements and the terms of this Agreement and/or the provisions of state law and except as

otherwise required under federal law or regulation, the more stringent requirement shall control.

(14) **Modifications.** The terms and conditions of this Agreement may be extended or amended at any time by mutual agreement of the parties in writing. Modifications to the Agreement shall be in compliance with the Notice section of this Agreement.

(15) **Headings.** All headings in this Agreement are for convenience of reference only and are not intended to qualify the meaning of any provision of this Agreement.

#### **IV. ADMINISTRATIVE REQUIREMENTS**

(1) **Financial Management.** Lighthouse agrees to comply with and agrees to adhere to appropriate accounting principles and procedures, utilize adequate internal controls, and maintain necessary source documentation for all Eligible Expenses.

(2) **Duplication of Benefits.** Lighthouse agrees that it shall not carry out any of the activities under this Agreement in a manner that results in a prohibited duplication of benefits as defined by Section 312 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5155) and in accordance with Section 1210 of the Disaster Recovery Reform Act of 2018 (division D of Public Law 115-254; 132 Stat. 3442), which amended section 312 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5155). If Lighthouse receives duplicate benefits from another source, Lighthouse agrees to refund the benefits provided by the Government to the Government. Lighthouse must execute and deliver a Duplication of



Benefits and Subrogation Agreement ("Duplication of Benefits Certification"), in the form attached hereto as Attachment A. Lighthouse shall comply with all terms and conditions of the Duplication of Benefits Certification, including, without limitation, Lighthouse's obligation to promptly notify the Government of any disaster assistance received from any other source.

(3) **Documentation and Recordkeeping.** As required by 2 C.F.R. 200.331(a)(5), the Government, or any duly authorized representative of the Government, shall have the right of access to any records, documents, financial statements, papers, or other records of Lighthouse that are pertinent to this Agreement, in order to comply with any audits pertaining to funds allocated to Lighthouse under this Agreement. The right of access also includes timely and reasonable access to Lighthouse's personnel for the purpose of interview and discussion related to such documents. The right of access is not limited to the required retention period, but lasts as long as the records are retained.

(4) **Record Retention.** Lighthouse shall retain sufficient records, which may include, but are not limited to financial records, supporting documents, statistical records, and all other records pertinent to the Agreement to show its compliance with the terms of this Agreement, as well as the compliance of all subcontractors or consultants paid from funds under this Agreement, for a period of three (3) years from the date of submission of the final expenditure report.

(5) **Internal Controls.** Lighthouse must comply with 2 C.F.R. 200.303 and establish and maintain effective internal control over the funds allocated under this

Agreement and provide reasonable assurance that Lighthouse is managing the award in compliance with federal statutes, regulations, and the terms and conditions of the award. These internal controls should be in compliance with guidance in "Standards for Internal Control in the Federal Government" issued by the Comptroller General of the United States or the "Internal Control Integrated Framework" issued by the Committee of Sponsoring Organizations of the Treadway Commission.

(6) **Personally Identifiable Information.** Lighthouse must comply with 2 C.F.R. 200.303(e) and take reasonable measures to safeguard protected personally identifiable information, as defined in 2 C.F.R. 200.82, and other information designated as sensitive or the Lighthouse considers sensitive consistent with applicable federal, state, local, and tribal laws regarding privacy and obligations of confidentiality.

(7) **Monitoring and Compliance.** The Government shall evaluate Lighthouse's risk of noncompliance and monitor the activities of Lighthouse as necessary to ensure that the CRF funds are used for authorized purposes, in compliance with federal statutes, regulations, and the terms and conditions of this Agreement. Monitoring of Lighthouse shall include reviewing invoices for eligible expenses, reviewing payroll logs, applicable contracts and other documentation that may be requested by the Government to substantiate eligible expenses. Failure to submit proper documentation verifying eligible expenses may result in termination of this agreement and recoupment of awarded funds from the Lighthouse. The Government shall verify that Lighthouse is audited as required by 2 C.F.R. Part 200 Subpart F—Audit Requirements. The Government may take enforcement action against Lighthouse for

any noncompliance as described in 2 C.F.R. 200.338 Remedies for noncompliance of this part and in program regulations.

(8) **Close-Outs.** Lighthouse shall close-out its use of funds under this Agreement by complying with the closeout procedures set forth in 2 C.F.R. 200.343 and the procedures described below. Lighthouse's obligation to the Government will not terminate until all close-out requirements are completed. Notwithstanding the foregoing, the terms of this Agreement shall remain in effect during any period that Lighthouse has control over funding provided under this Agreement.

(9) **Audits and Inspections.** All Lighthouse records with respect to any matters covered by this Agreement shall be made available to the Government, the federal awarding agency, and the Comptroller General of the United States or any of their authorized representatives, at any time during normal business hours, as often as deemed necessary, to audit, examine, and make excerpts or transcripts of all relevant data. Any deficiencies noted in audit reports must be resolved by Lighthouse within 30 days after notice of such deficiencies by Lighthouse. Failure of Lighthouse to comply with the audit requirements will constitute a violation of this Agreement and may result in the withholding of future payments.

If Lighthouse expends \$750,000 or more in total federal assistance (all programs) in a single year, must have an audit conducted of Coronavirus Relief Funds in accordance with 2 C.F.R. Part 200, Subpart F—Audit Requirements. Lighthouse shall submit a copy of that audit to the Government.

If Lighthouse does not meet the Single Audit threshold, it is required to have a program-specific Coronavirus Relief Funds audit conducted in accordance with § 200.507 - Program-Specific Audits and may be required to submit such copy of that audit to the Government.

Issues arising out of noncompliance identified in a Single or Program-Specific Coronavirus Relief Funds audit are to receive priority status of remediation or possible return of all funds to the Government.

(10) **Payment and Reporting Procedures**. The Government will pay to the Lighthouse funds available under this Agreement based upon information submitted by Lighthouse and consistent with the allocations and disbursement policies established by the Government. All payments will be made as reimbursement for eligible expenses actually incurred by Lighthouse.

Lighthouse should maintain a financial file with copies of back-up documentation for all paid eligible expenditures made by Lighthouse during the eligible period. Documentation of expenditures will be reviewed and verified upon receipt by the Government.

- a) Requests for reimbursement or funding must be submitted as an invoice on letterhead with supporting documentation for all expenses in the manner designated by the Government. Incomplete invoices may result in a delay in a decision regarding reimbursement requests.
- b) Upon receipt of an invoice, the Government will confirm receipt by email.

c) Payments will be made to Lighthouse within 30 days of receipt of a completed invoice containing adequate backup documentation to support all expenses.

d) All CRF funds not expended by Lighthouse must be returned to the Government by December 30, 2020, in compliance with the Close-Out Procedures contained in this Agreement.

Lighthouse will be required to periodically report the status of the project and will be required to tender to the Government records addressing how the funding was used for eligible expenses. Such reporting may include documentation of invoices, submission of payroll logs, proof of contracts, etc. to substantiate eligible expenses. Failure to submit proper documentation verifying eligible expenses may result in termination of this agreement and recoupment of awarded funds from Lighthouse.

## **V. PERSONNEL AND PARTICIPATION CONDITIONS**

(1) **Hatch Act.** Lighthouse must comply with provisions of the Hatch Act of 1939 (Chapter 15 of Title V of the U.S.C.) limiting the political activities of public employees, as it relates to the programs funded.

(2) **Conflict of Interest.** Lighthouse shall maintain written standards of conduct covering conflicts of interest and governing the actions of its employees engaged in the selection, award and administration of contracts. No employee, officer, or agent may participate in the selection, award, or administration of a contract supported by a federal award if he or she has a real or apparent conflict of interest. Such a conflict of interest would arise when the employee, officer, or agent, any

member of his or her immediate family, his or her partner, or an organization which employs or is about to employ any of the parties indicated herein, has a financial or other interest in or a tangible personal benefit from a firm considered for a contract.

## **VI. CERTIFICATION**

(1) Lighthouse hereby certifies that it has the authority and approval from all relevant governing bodies to execute this Agreement and request reimbursement from the Government from the allocation of the Coronavirus Relief Fund provided to the Government for eligible expenditures. Lighthouse further certifies the funds received for reimbursement from the Coronavirus Relief Funds were or will be used only to cover those costs that:

- a) Are *necessary expenditures* incurred due to the public health emergency with respect to the Coronavirus Disease 2019 (COVID-19);
- b) Were not accounted for in the budget most recently approved as of March 27, 2020; and
- c) Were incurred during the period that begins on March 1, 2020, and ends on December 30, 2020.

Lighthouse understands any award of funds pursuant to this agreement must adhere to official federal guidance issued or to be issued on what constitutes a necessary expenditure and that Lighthouse has reviewed the guidance established by U.S. Department of the Treasury and certify costs meet the required guidance. Any funds expended by Lighthouse or its subcontractor(s) in any manner that does not adhere to official federal guidance shall be returned to the Government.

Lighthouse agrees that it will retain documentation of all uses of the funds, including but not limited to invoices and/or sales receipts in a manner consistent with §200.333 *Retention requirements for records of 2 CFR Part 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

Lighthouse understands any funds provided pursuant to this agreement cannot be used as a revenue replacement for lower than expected tax or other revenue collections and cannot be used for expenditures for which Lighthouse has received any other emergency COVID-19 supplemental funding (whether state, federal, or private in nature) for that same expense.

#### **VII. SEVERABILITY**

(1) If any provision of this Agreement is held invalid, the remainder of the Agreement shall not be affected thereby and all other parts of this Agreement shall nevertheless be in full force and effect.

#### **VIII. WAIVER**

(1) The Government's failure to act with respect to a breach by the Lighthouse does not waive its right to act with respect to subsequent or similar breaches. The failure of the Government to exercise or enforce any right or provision shall not constitute a waiver of such right or provision.

#### **VIV. ENTIRE AGREEMENT**

(1) This Agreement constitutes the entire agreement between the Parties for the use of funds received under this Agreement and it supersedes all prior or

contemporaneous communications and proposals, whether electronic, oral, or written between the Parties relating to the Government's allocation of CRF funding to Lighthouse. This Agreement is subject to availability of federal assistance under the Coronavirus Relief Funds as authorized under the CARES Act. The Government has no legal requirement to provide funding to Lighthouse.

**X. SIGNATORY AUTHORITY.**

(1) If this Agreement is signed by a designee, a duly authenticated delegation of authority evidencing the signer's authority to execute the Agreement for and on behalf of Lighthouse must be attached to the Agreement for review by the Government.

**XI. NOTICES**

(1) All notices allowed or required to be given hereunder must be in writing dispatched by United States mail, or hand-delivered to the parties at the following addresses:

**FOR GOVERNMENT:**

Lexington-Fayette Urban County Government  
200 East Main Street  
Lexington, KY 40507  
Attn: Polly Ruddick

**FOR LIGHTHOUSE:**

Lighthouse Ministries  
185 Elm Tree Lane  
Lexington, KY 40507

IN WITNESS WHEREOF, this Agreement is executed as of the day first written above.

LEXINGTON-FAYETTE URBAN  
COUNTY GOVERNMENT

LIGHTHOUSE MINISTRIES



BY: Linda Gorton

Linda Gorton, Mayor

BY: Valerie Henderson

Title: Executive Director

ATTEST:

Maureen Sommer  
Deputy Clerk, Urban County Council