

**45A.145 Multiyear contracts.**

- (1) Unless otherwise provided in the statute making appropriations therefor, multiyear contracts for supplies and services may be entered into for periods not extending beyond the end of the biennium in which the contract was made, if funds for the first fiscal year of the contemplated contract are available at the time of contracting. Payment and performance obligations for succeeding fiscal years shall be subject to the availability of funds therefor.
- (2) Prior to the utilization of a contract as described in subsection (1) of this section, it shall be determined in writing by the chief purchasing officer:
  - (a) That estimated requirements cover the period of the contract and are reasonably firm and continuing; and
  - (b) That such contract will serve the best interests of the Commonwealth by encouraging effective competition or otherwise promoting economies in state procurement.
- (3) When funds are not appropriated or otherwise made available to support continuation of performance in a subsequent year of a contract as described in subsection (1) of this section, the contract for such subsequent year may be canceled and the contractor shall be reimbursed for the reasonable value of any nonrecurring costs incurred but not amortized in the price of the supplies or services delivered under the contract. The cost of cancellation may be paid from:
  - (a) Appropriations currently available for performance of the contract; or
  - (b) Appropriations currently available for procurement of similar supplies or services and not otherwise obligated; or
  - (c) Appropriations made specifically for the payment of such cancellation costs.

**Effective:** January 1, 1979

**History:** Created 1978 Ky. Acts ch. 110, sec. 30, effective January 1, 1979.