

1 AN ACT relating to contract procurement.

2 *Be it enacted by the General Assembly of the Commonwealth of Kentucky:*

3 ➔SECTION 1. A NEW SECTION OF KRS CHAPTER 43 IS CREATED TO
4 READ AS FOLLOWS:

5 (1) Beginning in fiscal year 2026-2027, and every two (2) years thereafter, the
6 Auditor shall audit the contract procurement systems of the Department of
7 Highways.

8 (2) The audit under this section shall include statistical analysis to detect:

9 (a) Bid rigging;

10 (b) Tacit collusion;

11 (c) Market allocation;

12 (d) Market division;

13 (e) Complementary or cover bidding;

14 (f) Bid rotation;

15 (g) Bid suppression; and

16 (h) Any other scheme or practice designed to circumvent competitive bidding
17 processes.

18 (3) The Auditor may contract for professional services to fulfill the statistical
19 analysis requirements of this section.

20 (4) The Department of Highways shall reimburse the Auditor for the cost of the audit
21 required by this section, including the cost of contracted professional services.

22 (5) The Auditor shall submit the audit required under this section to the Legislative
23 Research Commission by October 31, 2027, and subsequently by October 31st of
24 each odd-numbered year.

25 ➔Section 2. KRS 176.050 is amended to read as follows:

26 (1) The department shall:

27 (a) Investigate all problems relating to the construction and maintenance of roads

1 13A to set forth procedures when advertising for bids and awarding
2 contracts for construction and maintenance. The regulations shall include
3 measures to:

- 4 1. Provide for increased public confidence in the procedures followed by
5 the department's bidding and contracting system;
- 6 2. Ensure the fair and equitable treatment of all persons who deal with
7 the department's bidding and contracting system;
- 8 3. Provide increased economy in the department's activities by fostering
9 effective competition; and
- 10 4. Provide safeguards for the maintenance of a bidding and contracting
11 system of quality and integrity; and

12 (k)(i) Promulgate administrative regulations in accordance with~~under~~ KRS
13 Chapter 13A for the care and maintenance of roads after they have been
14 constructed.

15 (2) The department may publish bulletins containing useful information concerning the
16 construction and maintenance of roads.

17 (3) An invoice or bill to be paid out of the road or bridge funds shall not be approved
18 by the department for payment until it has been carefully examined by the
19 department to ascertain if the bill or invoice is in every respect a proper and
20 legitimate charge against the road or bridge funds. The commissioner may call
21 before him any person who may have information respecting any bill or invoice.

22 ➔Section 3. KRS 176.210 is amended to read as follows:

23 (1) Subject to the limitations in subsection (2) of this section, the department may
24 make public from time to time lists of qualified bidders. Such lists shall be general
25 in character and shall not indicate the size of the contracts with respect to which the
26 bidders have qualified.

27 (2) The department shall not make public the identity of an eligible bidder for a

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particular project prior to the bid letting on that project.