

45A.130 Cost reimbursement contracts.

- (1) No contract providing for the reimbursement of the contractor's cost plus a fixed fee, hereinafter referred to as a cost reimbursement contract, may be made under KRS 45A.085, 45A.090 or 45A.095, unless it is determined in writing by the secretary of the Finance and Administration Cabinet that such contract is likely to be less costly to the Commonwealth than any other type of contract, or that it is impracticable to obtain supplies or services of the kind or quality required except under such a contract.
- (2) Each contractor under a cost reimbursement type contract shall give notice, as provided for in the contract, before entering into:
 - (a) A cost reimbursement type subcontract; or
 - (b) Any other type of subcontract involving more than ten thousand dollars (\$10,000), or ten percent (10%) of the estimated cost of the prime contract.
- (3) All cost reimbursement type contracts shall contain a provision that only costs recognized as allowable, in accordance with cost principles set forth in regulations issued pursuant to KRS 45A.215, will be reimbursable.

Effective: January 1, 1979

History: Created 1978 Ky. Acts ch. 110, sec. 27, effective January 1, 1979.