

67A.810 Procedure where no bids received on offered bonds.

If the urban-county government shall adopt the Third Ordinance, herein referred to, and shall publicly solicit the submission of bids or proposals for the purchasing of its "improvement assessment bonds" for the project identified therein, and shall fail to receive a bid upon terms of price and/or interest coupon rate, or rates, conforming to the published notice and acceptable to the governing body, the bonds, or a portion thereof, may be awarded to the contractor, or contractors, at a price of not less than the minimum price permitted by the said published notice, and bearing one (1) or more interest coupon rates not exceeding the rate, or rates, permitted in the said published notice but only upon the following conditions:

- (1) The entire bond issue authorized by the Third Ordinance may be awarded to the contractor, or contractors, if it or they shall submit to, and obtain formal approval by, the governing body of the urban-county government, of a written undertaking (approval as to form and substance by the government's duly designated legal counsel):
 - (a) Agreeing to accept in full an agreed payment of the amount, or the aggregate of the amounts, of their respective contracts, bonds as authorized by the Third Ordinance equal in principal amount (or as near thereto as may be practicable) to the amount, or the aggregate of the amounts of their contracts (in which event such bonds shall be the latest maturing and highest numbered of the bonds authorized by the Third Ordinance), and
 - (b) Agreeing to pay to the urban-county government, in cash, the purchase price of the bonds to the extent that the same exceeds the aggregate amount of the contracts of the contractor, or contractors, who are signatories of such written instrument; or
- (2) Bonds equal to the amount, or amounts, of the contracts of the contractor, or contractors, who are signatories of a written instrument agreeing to accept the same in payment thereof, approved as to form and substance by the urban-county government's properly designated legal counsel, may be awarded to such contractor, or contractors, in the event the urban-county government is able to, and does, (within constitutional restrictions) appropriate from available funds a sum in cash sufficient to defray all costs of the project, as defined in KRS 67A.710 to 67A.825, in excess of the amount of such construction contract, or the aggregate of the several contracts. In such event, the sum so appropriated by the governing body of the urban-county government shall be applied to the payment of such costs;
- (3) In the event of procedure as set forth in either subsection (1) or (2) of this section, the bonds awarded to the contractor, or contractors (other than those paid for in cash as set forth in the foregoing subsection (1)), shall be placed by the urban-county government, in escrow, with a responsible financial institution, with written instructions that the same may be released to the contractor, or contractors, from time to time, but in principal amount not exceeding seventy-five percent (75%) of the amount certified in writing by the engineer, or engineers, to the said escrow agent, and the urban-county government, to have been theretofore earned by and payable to the identified contractor, or contractors, under the terms and conditions of their respective

contracts. Upon final approval and acceptance of the project by the governing body, the reserved twenty-five percent (25%) of such bonds may be released and delivered to such contractor, or contractors.

Effective: June 21, 1974

History: Created 1974 Ky. Acts ch. 394, sec. 21, effective June 21, 1974.