

1 AN ACT relating to sponsorship agreements with public universities.

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

3 ➔Section 1. KRS 164A.575 is amended to read as follows:

- 4 (1) The governing boards of each institution may elect to purchase interest in real
5 property, contractual services, rentals of all types, supplies, materials, equipment,
6 printing, and services, except that competitive bids may not be required for:
- 7 (a) Contractual services where no competition exists;
 - 8 (b) Food, clothing, equipment, supplies, or other materials to be used in
9 laboratory and experimental studies;
 - 10 (c) Instructional materials available from only one (1) source;
 - 11 (d) Where rates are fixed by law or ordinance;
 - 12 (e) Library books;
 - 13 (f) Commercial items that are purchased for resale;
 - 14 (g) Professional, technical, scientific, or artistic services, but contracts shall be
15 submitted in accordance with KRS 45A.690 to 45A.725;
 - 16 (h) All other commodities, equipment, and services which, in the reasonable
17 discretion of the board, are available from only one (1) source; and
 - 18 (i) Interests in real property.
- 19 (2) Nothing in this section shall deprive the boards from negotiating with vendors who
20 maintain a General Services Administration price agreement with the United States
21 of America or any agency thereof, provided, however, that no contract executed
22 under this provision shall authorize a price higher than is contained in the contract
23 between General Services Administration and the vendor affected.
- 24 (3) The governing board shall require the institution to take and maintain inventories of
25 plant and equipment.
- 26 (4) The governing board shall establish procedures to identify items of common general
27 usage among all departments to foster volume purchasing. It shall establish and

- 1 enforce schedules for purchasing supplies, materials, and equipment.
- 2 (5) The governing board shall have power to salvage, to exchange, and to condemn
3 supplies, equipment, and real property.
- 4 (6) Upon the approval of the secretary of the Finance and Administration Cabinet, the
5 governing board may purchase or otherwise acquire all real property determined to
6 be needed for the institution's use. The amount paid shall not exceed the appraised
7 value as determined by a qualified appraiser or the value set by the eminent domain
8 procedure. Any real property acquired under this section shall be in name of the
9 Commonwealth for the use and benefit of the institution.
- 10 (7) The governing board shall sell or otherwise dispose of all real or personal property
11 of the institution which is not needed or has become unsuitable for public use, or
12 would be more suitable consistent with the public interest for some other use, as
13 determined by the board. The determination of the board shall be set forth in an
14 order, and shall be reached only after review of a written request by the institution
15 desiring to dispose of the property. Such request shall describe the property and
16 state the reasons why the institution believes disposal should be effected. All
17 instruments required by law to be recorded which convey any interest in any such
18 real property so disposed of shall be executed and signed by the appropriate officer
19 of the board. Unless the board deems it in the best interest of the institution to
20 proceed otherwise, all such real or personal property shall be sold either by
21 invitation of sealed bids or by public auction; provided, however, that the selling
22 price of any interest in real property shall not be less than the appraised value
23 thereof as determined by the Finance and Administration Cabinet or the
24 Transportation Cabinet for such requirements of that department.
- 25 (8) Real property or any interest therein may, subject to the provisions of KRS Chapter
26 45A, be purchased, leased, or otherwise acquired from any officer or employee of
27 any board of the institution, based upon a written application by the grantor or

1 lessor approved by the board, that the employee has not either himself or through
2 any other person influenced or attempted to influence either the board requesting the
3 purchase of the property. In any case in which such an acquisition is consummated,
4 the said request and finding shall be recorded and kept by the Secretary of State
5 along with the other documents recorded pursuant to the provisions of KRS Chapter
6 56.

7 (9) (a) As used in this section, "construction manager-agency," "construction
8 management-at-risk," "design-bid-build," "design-build," and "construction
9 manager-general contractor" shall have the same meaning as in KRS 45A.030.
10 (b) For capital construction projects, the procurement may be on a total design-
11 bid-build basis, a design-build basis, construction manager-general contractor
12 basis, or construction management-at-risk basis, whichever in the judgment of
13 the board offers the best value to the taxpayer. Best value shall be determined
14 in accordance with KRS 45A.070. Proposals shall be reviewed by the
15 institution's engineering staff to assure quality and value, and compliance with
16 procurement procedures. All specifications shall be written to promote
17 competition. Services for projects delivered on the design-build basis,
18 construction manager-general contractor basis, or construction management-
19 at-risk basis shall be procured in accordance with KRS 45A.180, KRS
20 45A.183, and the regulations promulgated in accordance with KRS 45A.180.
21 Nothing in this section shall prohibit the procurement of construction
22 manager-agency services.

23 (10) The governing board shall attempt in every practicable way to insure the
24 institution's supplying its real needs at the lowest possible cost. To accomplish this
25 the board may enter into cooperative agreements with other public or private
26 institutions of education or health care.

27 (11) The governing board shall have control and supervision over all purchases of energy

1 consuming equipment, supplies, and related equipment purchased or acquired by
2 the institution, and shall designate by regulation the manner in which an energy
3 consuming item will be purchased so as to promote energy conservation and
4 acquisition of energy efficient products.

5 (12) The governing board may negotiate directly for the purchase of contractual services,
6 supplies, materials, or equipment in bona fide emergencies regardless of estimated
7 costs. The existence of the emergency must be fully explained, in writing, by the
8 vice president responsible for business affairs and such explanation must be
9 approved by the university president. The letter and approval shall be filed with the
10 record of all such purchases. Where practical, standard specifications shall be
11 followed in making emergency purchases. A good faith effort shall be made to
12 effect a competitively established price for emergency purchases.

13 (13) (a) All governing boards that purchase agricultural products, as defined by KRS
14 45A.630, shall, on or before January 1 of each year, provide a report to the
15 Legislative Research Commission and to the Department of Agriculture
16 describing the types, quantities, and costs of each product purchased. The
17 report shall be completed on a form provided by the department.

18 (b) If purchasing agricultural products, a governing board shall encourage the
19 purchase of Kentucky-grown agricultural products in accordance with KRS
20 45A.645. If a governing board purchases agricultural products through a
21 contract with a vendor or food service provider, the contract shall require that
22 if Kentucky-grown agricultural products are purchased, the products shall be
23 purchased in accordance with KRS 45A.645. Only contracts entered into or
24 renewed after July 15, 2008, shall be required to comply with the provisions
25 of this subsection.

26 (c) All governing boards that purchase Kentucky-grown agricultural products
27 shall, on or before January 1 of each year, provide a report to the Legislative

1 Research Commission and to the Department of Agriculture describing the
2 types, quantities, and costs of each product purchased. The report shall be
3 completed on a form provided by the department.

4 (14) Governing boards shall apply the reciprocal resident bidder preference described in
5 KRS 45A.494 prior to the award of any contract.

6 (15) Governing boards may authorize the use of reverse auctions as defined in KRS
7 45A.070 for the procurement of goods and leases.

8 **(16) All contracts and agreements for sponsorships and endorsements shall be**
9 **reviewed by the governing board to protect the good reputation of the university**
10 **and maintain the financial integrity of the contract or agreement.**