

A MULTI-YEAR CONTRACT MAY NOT BE APPROVED UNLESS EACH UNIT REVIEWING THE MULTI-YEAR CONTRACT DETERMINES THAT:

(1) THE ESTIMATED REQUIREMENTS OF THE STATE:

(I) COVER THE PERIOD OF THE MULTI-YEAR CONTRACT; AND

(II) ARE ~~CONTINUING-AND~~ REASONABLY FIRM; AND

(III) ARE CONTINUING; AND

(2) THE MULTI-YEAR CONTRACT WILL SERVE THE BEST INTERESTS OF THE STATE BY ENCOURAGING EFFECTIVE COMPETITION OR OTHERWISE PROMOTING ECONOMY IN STATE PROCUREMENT.

(D) AUTOMATIC TERMINATION.

(1) IF MONEY SUFFICIENT FOR THE CONTINUED PERFORMANCE OF A MULTI-YEAR CONTRACT IS NOT APPROPRIATED FOR ANY YEAR-AFTER THE--FIRST FISCAL YEAR, THE MULTI-YEAR CONTRACT TERMINATES AUTOMATICALLY ON THE EARLIER OF:

(I) THE LAST DAY OF THE FISCAL YEAR FOR WHICH MONEY LAST WAS APPROPRIATED; OR

(II) THE DATE PROVIDED IN THE TERMINATION CLAUSE OF THE PROCUREMENT CONTRACT.

(2) IF THE MULTI-YEAR CONTRACT IS TERMINATED UNDER THIS SUBSECTION, THE UNIT SHALL REIMBURSE THE CONTRACTOR FOR THE REASONABLE VALUE OF ANY NONRECURRING COSTS THAT WERE:

(I) INCURRED AS A RESULT OF THE MULTI-YEAR CONTRACT; BUT

(II) NOT AMORTIZED IN THE PRICE OF THE SUPPLIES OR SERVICES DELIVERED UNDER THE MULTI-YEAR CONTRACT.

(3) THE COST OF TERMINATION UNDER THIS SUBSECTION MAY BE PAID FROM ANY APPROPRIATION AVAILABLE FOR THAT PURPOSE.

(E) REQUIRED CONTRACT CLAUSE.

EACH MULTI-YEAR CONTRACT, INCLUDING A LEASE OF REAL PROPERTY, SHALL INCLUDE AN AUTOMATIC TERMINATION CLAUSE THAT:

(1) IS NOT INCONSISTENT WITH THE REQUIREMENTS OF SUBSECTION (D) OF THIS SECTION; AND

(2) DISCHARGES BOTH PARTIES TO THE MULTI-YEAR CONTRACT FROM FUTURE PERFORMANCE OF THAT CONTRACT, BUT NOT FROM THEIR EXISTING OBLIGATIONS.