

ORDINANCE 1913

AN ORDINANCE AUTHORIZING THE ADVANCE PAYMENT OF CERTAIN EXPENSES

WHEREAS, P.L. 181-2023 (SEA 317), SEC. 1, effective May 4, 2023 (the Act), amended Ind. Code §5-11-10-1.6 to:

(1) authorize a municipality to make payment of meal expenses to a municipal employee who will be traveling on official municipal business if the municipal fiscal body has adopted an ordinance allowing the advance payment and specify the minimum provisions that must be included in such an ordinance;

(2) authorize a political subdivision to make advance payments to contractors to enable the contractors to purchase materials needed for a public works project of the political subdivision and specify the minimum information that must be included by the contractors; and

(3) authorize a political subdivision to make advance payments for goods or services before the goods are delivered or the services are completed if the fiscal body of the political subdivision authorizes making advance payments and specifies the minimum tasks to be taken to make advance payments by the fiscal officer of the political subdivision or the fiscal officer's designee; and,

WHEREAS, the Munster Town Council is the fiscal body of the Town of Munster; now, therefore, be it

ORDAINED By the Town Council of the Town of Munster, Lake County, Indiana:

SECTION 1. (a) The Clerk-Treasurer of the Town of Munster is authorized to make an advance payment to a contractor performing work under a contract for a public works project under Ind. Code §36-1-12 to enable the contractor to purchase materials needed for the public work project.

(b) An advance payment may be made only if the solicitation for the public works project includes all of the following information:

(1) the Town will make advance payments to a contractor to enable the contractor to purchase materials to be used in the construction of the public works project.

(2) No advance payment will be made in an amount that exceeds the amount specified in the contractor's bid for the purchase of materials. If a change order requires the purchase of additional materials, no advance payment will be made if the change order changes the scope of the public works project.

(3) each request for an advance payment must include:

(A) documentation containing the amount specified in the contractor's bid;

(B) any purchase contract or purchase order executed by the contractor for the purchase of materials;

(C) all invoices or receipts for materials purchases for which the contractor seeks advance payment;

(D) a certified statement that the request for advance payment is true and accurate and not for amount exceeding the amount specified in the contractor's bid for the purchase of materials

(E) the certified statement must be signed by:

(1) the contractor for the public works project;

(2) any subcontractor for the project requesting the materials to be purchased for work to be completed by the subcontractor; and

(3) the architect or engineer the Town has retained with respect to the public works project, if any; and

(4) an employee of the Town, including any consultants, responsible for the completion of the public works project.

SECTION 2. (a) The Clerk-Treasurer of the Town of Munster is authorized to make an advance payment for goods or services before the goods are delivered and the services are received and completed.

(b) The fiscal officer or fiscal officer's designee must:

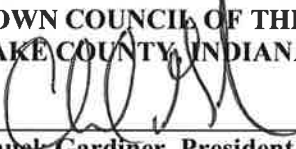
- (1) Track prepayments by defining the prepayment on a purchase order.
- (2) Create a prepayment invoice associated with the purchase order.
- (3) Require insurance or a surety bond in the amount of the prepayment *only if* the amount of the prepayment is more than one hundred fifty thousand dollars (\$150,000).

SECTION 4. (a) The Clerk-Treasurer may not make advance payments under Section 1 or 2 of this Ordinance if the payment exceeds the lesser of fifty percent (50%) of the entire cost of the contract or two million dollars (\$2,000,000).

(b) A request for the advance payment for materials or services must include the contract award for the materials or services. A request must be made in writing and may not be for an amount that exceeds the amount of the contract award for the materials or services.

ADOPTED AND PASSED this 2nd day of October 2023 by a vote of 4 in favor and 0 opposed.

**TOWN COUNCIL OF THE TOWN OF MUNSTER,
LAKE COUNTY, INDIANA**



Chuck Gardiner, President

ATTEST:



Wendy Mis, Clerk-Treasurer