

ORDINANCE NO. 015-114

AN ORDINANCE AUTHORIZING A
THIRD AMENDMENT OF A
CONTRACT WITH MANSFIELD OIL
COMPANY TO ACCOMMODATE
FIXED PRICE PURCHASES OF
DIESEL FUEL FOR 2016

WHEREAS, following public bidding and award by the Board, the Authority entered into Contract No. B11OP00059 ("Contract") with Mansfield Oil Company of Gainesville, Inc. ("Mansfield") for supply of Grade No. 1 and Grade No. 2 Ultra Low Sulfur Diesel Fuel ("Diesel Fuel") for a term of twenty-four (24) months with three (3) one year options to extend; and

WHEREAS, Ordinances 002-70 and 004-71 authorize a Fuel Price Risk Management Program consisting of hedging and firm fixed price strategies to enable the Authority to "better manage its fuel procurement process by moderating market price volatility to ensure budget stability and cost control"; and

WHEREAS, Section 12 of the Contract provides that "CTA reserves the right to negotiate with the Contractor a firm fixed price for diesel fuel which is mutually agreeable to both parties for a given timeframe"; and

WHEREAS, pursuant to Ordinance 014-109 CTA and Mansfield entered into an Amendment under which Mansfield agreed to sell Diesel Fuel to CTA during 2015 subject to the additional terms and conditions set forth in the Amendment; and

WHEREAS, pursuant to Ordinance 015-66 CTA and Mansfield entered into a Second Amendment to the Contract to under which Mansfield agreed to sell Diesel Fuel to CTA during 2016 until the October 10, 2016 expiration of the Contract, subject to the additional terms and conditions set forth in the Second Amendment; and

WHEREAS, CTA desires to enter into a Third Amendment to the Contract to extend the contract period until December 31, 2016 and to purchase a portion of its diesel fuel volume for October 11, 2016 through December 31, 2016 at a fixed price in order to ensure budget stability for 2016; and

WHEREAS, there are sufficient funds remaining in Contract B11OP00059 to cover the cost of any fuel purchases made during the extension; now, therefore:

BE IT ORDAINED BY THE CHICAGO TRANSIT BOARD
OF THE CHICAGO TRANSIT AUTHORITY:

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SECTION 1. The Chief Financial Officer is authorized to execute a fixed price amendment to Contract B11OP00059 with Mansfield substantially in the form attached hereto. The Chief Financial Officer is also authorized execute any other documents and to take such other actions as are necessary to implement the fixed price purchase, including, but not limited to, terminating any hedging agreements to the extent necessary. The Chief Financial Officer is further authorized to negotiate and approve additional fixed price quantities for the remaining term of the Contract.

SECTION 2. The fixed price and fixed quantities shall be as negotiated by the Chief Financial Officer. Any quantities in addition to the fixed quantities shall be purchased pursuant to the variable prices included in Contract B11OP00059.

SECTION 3. This Ordinance shall be in full force and effect from and after its passage.

APPROVED

PASSED:

Chairman

October 14, 2015

Assistant Secretary

October 14, 2015