

ORDINANCE NO. 012-63

AN ORDINANCE AUTHORIZING
A PILOT BULK SALE OF CTA
THREE-DAY PASSES AT A
DISCOUNTED RATE

WHEREAS, The Chicago Transit Authority ("Authority") provides public transportation to the Chicago metropolitan area; and

WHEREAS, The Authority is interested in broadening the ridership base in customer segments that may not take full advantage of Authority public transportation; and

WHEREAS, It is believed that a pilot bulk sale of three-day passes to Groupon, Inc. ("Groupon") may be attractive to tourists and members of the public who have not previously used Authority public transportation and potentially attract new customers who will become regular users of public transportation; and

WHEREAS, The pilot one-time bulk sale by the Authority to Groupon will be 250,000 three-day passes with the Authority having the option within six months of Groupon's first offering of three-day passes to sell Groupon an additional block of 250,000 three-day passes, which exercise of option Groupon may accept or reject; and

WHEREAS, The total number of passes sold under the agreement with Groupon, including the option, shall not exceed 500,000 three-day passes and a discounted rate not to exceed 46.22%; and

WHEREAS, The proposed pilot bulk sale to Groupon will provide CTA with customer information for each purchaser that will enhance the Authority's marketing efforts toward developing new CTA customers; and

WHEREAS, Staff recommends that the pilot bulk sale to Groupon be approved; now, therefore:

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

SECTION 1. The Chicago Transit Board authorizes a pilot bulk sale to Groupon of 250,000 three-day passes with an option that can be exercised by the Authority to sell an additional block of 250,000 three-day passes, with the total number of passes sold under the agreement not to exceed 500,000. Any exercise of the option shall be reported to the Board. The discount rate shall not exceed 46.22% or \$7.53 per three-day pass, the face value of a three-day pass being \$14.00.

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SECTION 2. The President, or his designee, is hereby authorized to enter into an agreement with Groupon for the pilot bulk sale as described in Section 1, and, with the approval of the General Counsel, negotiate any specific terms, provided however, that the number of total passes authorized and the discount rate shall not change.

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

APPROVED:

PASSED:

Chairman

June 13, 2012

First Assistant Secretary

June 13, 2012