

ORDINANCE NO. 026-65

AN ORDINANCE AUTHORIZING THE  
CHIEF FINANCIAL OFFICER  
/TREASURER TO EXECUTE A  
NATURAL GAS CONTRACT

WHEREAS, The Chicago Transit Authority (“Authority”) currently utilizes approximately five hundred forty-two thousand (542,000) dekatherms of natural gas per year; and

WHEREAS, The Authority’s future consumption is estimated at approximately six hundred thousand (600,000) dekatherms of natural gas per year; and

WHEREAS, The Authority’s annual expenditure for natural gas is estimated at approximately Six Million Five Hundred Thousand Dollars (\$6,500,000.00); and

WHEREAS, The Authority may obtain significant cost savings and increased budgeting accuracy by entering into agreements that may provide pricing for all or a portion of the Authority’s natural gas needs based on index-pricing, fixed-pricing, or a combination thereof with a responsible natural gas supplier; and

WHEREAS, The Authority is expected to issue a Request for Proposals (“RFP”) in June 2026 to identify a responsible third-party natural gas supplier that can fulfill the Authority’s natural gas needs; and

WHEREAS, Sealed proposals in response to the Authority’s RFP are expected to be submitted in July 2026; and

WHEREAS, Under industry practice, proposals submitted for natural gas contracts are valid for very short time periods due to price fluctuations and changes in market conditions; and

WHEREAS, Volatility in the natural gas market creates an imperative need for Authority staff to act within hours of receipt of prices to enter into fixed-price agreements that serve the Authority’s best interests; and

WHEREAS, In order for the Authority to enter into a contract under such changing market conditions, it is necessary and desirable to obtain Chicago Transit Board approval, in advance, to authorize execution of an agreement; now, therefore:

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

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SECTION 1. Based on the statements set forth in the preamble of this ordinance, the Chief Financial Officer or Treasurer of the Authority, or their designees, with the approval of the Transit Board Chair or designee shall evaluate opportunities from those responses submitted pursuant to the RFP to enter into a contract for natural gas with a suitable supplier that best meets the Authority's natural gas needs based on price and other factors stated in the RFP.

SECTION 2. The Chicago Transit Board hereby authorizes the Chief Financial Officer or Treasurer of the Authority, or their designees, with the approval of the Board Chair (or designee), to execute an agreement with the selected supplier that provides pricing for all or a portion of the Authority's natural gas needs based on fixed-pricing, index-pricing or a combination thereof for a period of up to three (3) years, with two (2) options to extend for one (1) year each or one (1) option to extend for two (2) years.

SECTION 3. The Board further authorizes the Chief Financial Officer or Treasurer of the Authority, or their designees, to convert additional quantities of natural gas from index-pricing to fixed-pricing throughout the term of the agreement.

SECTION 4. The percentage of each year's estimated quantity of natural gas that may be purchased at a fixed price shall be determined by the Chief Financial Officer or Treasurer of the Authority based on a review of the Authority's projected needs for each year to ensure that the fixed price purchase will not exceed the Authority's actual needs.

SECTION 5. This ordinance shall be in full force and effect from and after its passage

APPROVED:

PASSED:

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Chairman

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Secretary

June 10, 2026

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