



Office of the City Clerk

City Hall
121 N. LaSalle St.
Room 107
Chicago, IL 60602
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Legislation Details (With Text)

File #: O2011-1001
Type: Ordinance **Status:** Passed
File created: 2/9/2011 **In control:** City Council
Final action: 3/9/2011

Title: Renewal of intergovernmental agreement with Chicago Transit Authority regarding fuel purchases
Sponsors: Daley, Richard M.
Indexes: Intergovernmental
Attachments: 1. O2011-1001.pdf

Date	Ver.	Action By	Action	Result
3/16/2011	1	Office of the Mayor	Signed by Mayor	Pass
3/9/2011	1	City Council		
3/8/2011	1	Committee on Budget and Government Operations	Recommended to Pass	Pass
2/9/2011	1	City Council	Referred	

CHICAGO, March 9, 2011

To the President and Members of the City Council:

Your Committee on the Budget and Government Operations, having had under consideration an Ordinance authorizing the execution of an intergovernmental agreement between the City of Chicago, Department of Fleet Management and the Chicago Transit Authority necessary for the utilization of City fuel sites; and having had the same under advisement, begs leave to report and recommend that Your Honorable Body pass the Ordinance transmitted herewith.

This recommendation was concurred in by a viva voce vote of the members of the Committee.

Carrie M. Austin Chairman

CITY OF CHICAGO
RICHARD M. DALEY
MAYOR

February 9, 2011

TO THE HONORABLE, THE CITY COUNCIL OF THE CITY OF CHICAGO

Ladies and Gentlemen:

At the request of the Commissioner of Fleet Management, I transmit herewith an ordinance authorizing the renewal of an intergovernmental agreement with the Chicago Transit Authority concerning fuel purchases. Your favorable consideration of this ordinance will be appreciated.

FUEL ACCESS AGREEMENT BETWEEN THE CITY OF CHICAGO, BY AND THROUGH ITS DEPARTMENT OF FLEET MANAGEMENT, AND THE CHICAGO TRANSIT AUTHORITY

This Agreement (the "Agreement"), made and entered into as of __, 2010 (the "Effective Date ") by and between the City of Chicago (the "City"), a Municipal Corporation and home

rule unit of government under Article VII, Section 6(a) of the 1970 Constitution of the State of Illinois, by and through its Department of Fleet Management ("Fleet"), and the Chicago Transit Authority ("CTA"), a Municipal Corporation approved by the legislature of the State of Illinois on April 12, 1945 for the purpose of public ownership and operation of a transportation system in the metropolitan area of Cook County.

RECITALS:

WHEREAS, the City maintains throughout the City nine (9) fueling sites supplying various fuels where City vehicles can obtain unleaded gasoline, ultra low sulfur diesel (ULSD) fuel, compressed natural gas (CNG) in gasoline gallon equivalent (GGE), and when available E85 fuel (85% ethanol and 15% gasoline); and
WHEREAS, the CTA has determined that it would be both operationally and financially advantageous for the CTA if the CTA had access to City fueling sites during regular hours of operation for its non-revenue vehicles, and the City desires to give the CTA access to its fueling sites during regular hours of operation; and
WHEREAS, under the authority of State of Illinois Metropolitan Transit Authority Act, 70 ILCS 3605/33, the CTA as a municipal corporation is exempt from State of Illinois motor fuel taxes and Cook County tax (which is refunded by the County) on its fuel purchases, provided that the CTA directly purchases fuels subject to such taxes, and the City has no such motor fuel tax exemption; and
WHEREAS, the parties desire to enter into an agreement whereby the CTA will order, pay its suppliers directly, and have delivered certain fuels for its use at the City fueling sites, commingled with the City fuel inventory, in return for access to such sites and the related City administration and accounting of the CTA fuel consumption by its non-revenue vehicles; and
WHEREAS, gas cards issued by the City will be used to control fuel usage and for invoicing;
and
WHEREAS, on __, 20 __, the City Council adopted an ordinance authorizing the execution of this Agreement between the City and CTA; and
WHEREAS, on November 10, 2010, the Chicago Transit Authority Board adopted an ordinance authorizing the execution of this Agreement between the CTA and the City,.

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NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

AGREEMENT:

ARTICLE ONE: INCORPORATION OF RECITALS

1.01 Incorporation. The recitals stated above are incorporated in the Agreement by reference and made a part of the Agreement.

ARTICLE TWO: FUELS, SERVICES AND BILLING

2.01 CTA Non-Revenue Vehicles Types of Fuels. This Agreement applies only to the CTA's non-revenue vehicles using unleaded gasoline, ultra low sulfur diesel fuel (or a ULS' biodiesel blend), compressed natural gas in GGE and E85 fuel.

2.02 Vehicle Information. The CTA will provide the City with CTA vehicle number, license plate and vehicle identification number ("VIN"), make, model, year, mileage, type of fuel required, fuel tank capacity plus additional maintenance information for all CTA non-revenue vehicles which are added to the fleet. For leased or rented non-revenue vehicles the CTA will provide the City with the same information but no maintenance information.

2.03 CTA Access to Fueling Sites. The CTA will have access for its non-revenue vehicles only to all of the City's fueling sites listed on Exhibit A during regular hours of operation for the types of fuels shown for each site, throughout the term of this Agreement, subject to the terms of this Agreement. The CTA may request that the City: (i) keep fueling sites open beyond regular hours, including fueling sites which for budget or operational reasons have reduced service hours; or (ii) keep fueling sites open on City holidays or City shut-

down days, provided, however, that the CTA agrees to reimburse the City at a rate of \$75.00 per hour for each hour of requested operation to cover personnel and operating costs.

2.04 Unleaded Gasoline Access.

a) Gasoline Supply Agreement. The terms and conditions of the City's contract with its unleaded gasoline supplier (the "City Gasoline Supply Agreement") have previously been supplied to the CTA. The CTA agrees to enter into a separate unleaded gasoline fuel supply contract with the City's gasoline supplier (the "CTA Gasoline Supply Contract"). The CTA Gasoline Supply Contract will: (i) run concurrently with the City Gasoline Supply Agreement; (ii) provide that the City's gasoline supplier will deliver the same quality, grade and type of gasoline delivered to the City under the City Gasoline Supply Agreement, and (iii) will provide at a minimum the same terms and conditions as the City Gasoline Supply Agreement.

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b) Coordination of Agreements, The CTA Gasoline Supply Agreement and the City Gasoline Supply Agreement will be administered and coordinated (e.g. reconciliation and delivery report generation and delivery coordination) under the direction of the City Representative or designee with direct coordination with the CTA Representatives or designee, each as listed in Article Seventeen such that delivery schedules, notices, price change information and the like will be promptly sent to both the City and the CTA.

c) CTA Gasoline Purchases and Delivery. Each month, the CTA will submit a release to the City's gasoline supplier for the forecasted amount of CTA consumption of gasoline. Such release will request delivery as instructed by the City. The City will confirm all deliveries of gasoline received from each order placed by the City to CTA's supplier via e-mail or by mail with copies of delivery tickets and Bills of Lading to the CTA. Under its contract with the gasoline supplier, the CTA will be solely responsible for all gasoline costs and transport and delivery charges to City fueling sites. As between the City and the CTA, the number of gallons of delivered gasoline will be defined as the "CTA Monthly Gasoline Base Amount". The City will use such information, together with consumption information and mileage data to prepare, and provide to the CTA a monthly gasoline usage report for the CTA (the "CTA Monthly Gasoline Usage Report").

d) City Charges to the CTA

i) City Per Gallon Charge. For access to the City fueling sites and related administration, the CTA will pay the City a charge of 35 cents (\$0.35) per gallon of the CTA Monthly Gasoline Base Amount (the "City Per Gallon Charge"). On an annual basis, commencing in January, 2010, the City will review the City Per Gallon Charge and decide, in its sole discretion, whether to adjust the City Per Gallon Charge for the next year. The City Per Gallon Charge also covers the costs of: 1) pre-mixed anti-freeze, 2) windshield washer solvent, 3) multi-viscosity motor oils, each as made available for gasoline-fueled CTA non-revenue vehicles.

ii) Billing. The CTA will pay the City Per Gallon Charge each month for the prior month's consumption.

e) Gasoline Inventory Adjustments. Based on the CTA Monthly Gasoline Usage Report, the CTA will consult with the City to adjust its orders for the gasoline inventory comprising the CTA Monthly Gasoline Base Amount, month-to-month, to track its forecasted consumption. For example:

i. If the CTA Monthly Gasoline Base Amount is 5,000 gallons in a month and the CTA's actual consumption is 6,000 gallons for that month, then the CTA Monthly Gasoline Base Amount for the next month should be 6,000 gallons (assuming a 5,000 gallon forecast amount) to account on an inventory-in-the-storage tank basis for the increased consumption in the prior-month; or

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ii'. If the CTA Monthly Gasoline Base Amount is 5,000 gallons in a month, and the CTA's actual consumption is 4,000 gallons for that month, then the CTA Monthly Gasoline Base Amount for the next month should be 4,000 gallons (assuming a 5,000 forecast amount) to account for the decreased consumption of gasoline inventory in the prior month.

iii. In the event the City's records of CTA fuel consumption reveal that the average yearly use has been underestimated by the City in excess of ten percent (10%), then the CTA shall not be liable to make-up the difference by ordering additional fuel from its supplier in excess of ten percent (10%) for the year. In this case

the City will be responsible for overages in excess of ten percent (10%).

2.05 Diesel Fuel Access.

a) Diesel Supply Agreement. The terms and conditions of the City's contract with its diesel fuel supplier (the "City Diesel Supply Agreement") have previously been supplied to the CTA. The CTA agrees to enter into a separate diesel fuel supply contract with the City's diesel fuel supplier (the "CTA Diesel Supply Contract"). The CTA Diesel Supply Contract will: (i) run concurrently with the City Diesel Supply Agreement; (ii) provide that the City diesel fuel supplier will deliver the same quality, grade and type of diesel fuel delivered to the City under the City Diesel Supply Agreement; and (iii) will have the same terms and conditions as the City Diesel Supply Agreement.

b) Coordination of Agreements. The CTA Diesel Supply Contract and the City Diesel Supply Agreement will be administered and coordinated (e.g. reconciliation and delivery report generation and delivery coordination) under the direction of the City Representative or designee with direct coordination with CTA Representatives or designee, each as listed in Article Seventeen such that delivery schedules, notices, price change information and the like will be promptly sent to both the City and the CTA.

c) CTA Diesel Fuel Purchases and Deliveries. Each month, the CTA will submit a release to the City's diesel fuel supplier for the forecasted amount of CTA consumption of ultra low sulfur diesel (ULSD) fuel. Such release will request delivery as instructed by the City. The City will confirm all deliveries of ULSD received from each order placed by the City to CTA's supplier via e-mail or by mail with copies of delivery tickets and Bills of Lading to the CTA. Under its contract with the diesel fuel supplier, the CTA will be solely responsible for all diesel fuel costs and transport and delivery charges to the City fueling sites. As between the City and the CTA, the number of gallons of delivered ULSD fuel is defined as the "CTA Monthly Diesel Fuel Base Amount". The City will use such information, together with consumption information and mileage data to prepare a monthly diesel fuel usage report for the CTA (the "CTA Monthly Diesel Fuel Usage Report").

d) City Charges to the CTA of Diesel Fuel Access.

i) For access to the City fueling sites and related administration, the CTA will pay the City a charge of 35 cents (\$0.35) per gallon of the CTA Monthly Diesel Fuel Base Amount (the "Diesel Per Gallon Charge"). On an annual basis beginning in January, 2010, the City will review the Diesel Per Gallon Charge and decide, in its discretion, whether to adjust the Diesel Per Gallon Charge for the next year. The Diesel Per Gallon Charge also covers the costs of: 1) pre-mixed anti-freeze, 2) windshield washer solvent, each as made available for diesel-fueled CTA non-revenue vehicles.

ii) Billing. The CTA will pay the Diesel Per Gallon Charge each month for the prior month's consumption.

e) Diesel Fuel Inventory Adjustments. Based on the CTA Monthly Diesel Fuel Usage Report, the CTA will consult with the City to adjust its orders for the diesel fuel inventory, month-to-month, to track its forecasted consumption. Examples listed in Section 2.04(e) have similar utility to the order adjustment for diesel fuel.

2.06 Compressed Natural Gas Fuel Costs. The cost to the CTA of a gasoline gallon equivalent (GGE) of compressed natural gas (CNG) will be the sum of: (i) the charge to the City per "therm" of natural gas received at the fueling site compressor, multiplied by a factor of 1.22 to convert each therm into a GGE, including all applicable taxes; plus, (ii) an additional charge of 35 cents (\$0.35) per GGE pumped at 3,800 p.s.i. (the "GGE Charge"). On an annual basis commencing in January, 2010, the City will review the GGE Charge and decide, in its sole discretion, whether to adjust the GGE Charge for the next year. The CTA will pay the cost of GGE CNG each month for the prior month's consumption. Presently, the CTA's consumption of GGE CNG is low and the amount of state fuel taxes (currently \$0.19 per GGE) on such consumption is minimal. When the CTA's consumption of GGE CNG increases materially, then the parties will review the charges in this section, including the applicable taxes, and will amend this section as the parties believe mutually beneficial to reflect the CTA's increased consumption pattern.

2.07 E85 Fuel Costs. The cost to the CTA of E85 fuel will be the sum of: (i) the charge to the City for a gallon of E85 fuel at the fueling site, including all applicable taxes; plus, (ii) an additional charge of 35 cents (\$0.35) per gallon (the "E85 Gallon Charge"). On an annual basis commencing in January, 2010, the City will review

the E85 Gallon Charge and decide, in its sole discretion, whether to adjust the E85 Gallon Charge for the next year. The CTA will pay the costs of E85 fuel each month for the prior month's consumption. Presently, the CTA's consumption of E85 fuel is negligible. When the CTA's consumption of E85 fuel increases materially, then the parties will review the charges in this section, including the applicable taxes, and will amend this section as the parties believe mutually beneficial to reflect the CTA's increased E85 fuel consumption pattern.

2.08 Gas Cards and Phasing-In. The City will issue a gas card to CTA employees as authorized by the CTA, subject to a phasing-in schedule to be agreed upon by the City and the CTA. When a gas card is initially issued or whenever a replacement gas card is issued for any reason, the CTA will pay the City a non-refundable fee of \$15 per card.

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2.09 Billing and Payment.

(a) Quarterly Overpayments and Under Payments. Within 30 days of the end of each calendar quarter, the City will send the CTA a reconciled billing statement for the calendar quarter showing all CTA consumption, purchases and payments. Under payments by the CTA will be reflected on the next billing. Overpayments by the CTA will be reflected with a credit on the next billing. Unpaid invoices over 60 days shall result in a 1.5% late fee on any outstanding balance, or the maximum allowed by law.

(b) Disputes and Errors. Disputes and errors between the parties under this Agreement will be referred to the representatives of each party scheduled in Article Seventeen for good faith resolution. If the representatives cannot resolve any disputes or correct any errors to the satisfaction of the parties within 30 days, then such unresolved disputes and uncorrected errors will be referred to the Commissioner of Fleet and CTA's Chief Infrastructure Officer for good faith resolution by them within 30 days of referral. If the Commissioner of Fleet and the Chief Infrastructure Officer of the CTA cannot resolve the matter(s), then each party may pursue its remedies at law and shall endeavor to do so within 1 year of the date when the dispute or error arose.

ARTICLE THREE: TERM

3.01 Term of Agreement. The term of this Agreement shall be for 6 years beginning on the Effective Date.

3.02 Option to Renew. The parties have 2 options to renew this Agreement for a period of 3 years each after review and agreement by both parties. In the event the mutual review does not commence within seven (7) months from the end of the Agreement term, then the Agreement will be automatically extended for an additional three (3) year term. In the latter case, the Agreement may be terminated as provided herein.

3.03 Termination. Either party may terminate this Agreement upon twelve (12) months prior written notice to the other.

ARTICLE FOUR: CONSENT

4.01 Consent. Whenever the consent or approval of one or both parties to this Agreement is required hereunder, such consent or approval will not be unreasonably withheld and will be provided in writing by the consenting party.

ARTICLE FIVE: NOTICES

5.01 Notices to CTA. Notice to CTA must be addressed to:

Attn: Vice President, Purchasing Chicago Transit Authority 567 West Lake Street Chicago, Illinois 60661 Fax: (312)681-2405

With a copy to: Attn: General Counsel

Chicago Transit Authority 567 West Lake Street. Chicago, Illinois 60661 Fax:(312)681-2995

5.02 Notices to the City. Notice to the City must be addressed to:

Commissioner

Department of Fleet Management 1685 North Throop Street Chicago, Illinois 60622 Fax: (312) 744-5244 and Corporation Counsel City Hall, Room 600 121 N. LaSalle Street Chicago, Illinois 60602 Attention: Finance and Economic Development Division Fax:(312)744-8538

5.03 Notice in Writing. Unless otherwise specified, any notice, demand or request required hereunder must be given in writing at the addresses set forth above, by any of the following means: (a) personal service; (b) electronic communications, whether by e-mail, telex, facsimile (FAX) or Stream Fax™; (c) courier service; or

(d) registered or certified mail, return receipt requested.

5.04 Notice of Change. Such addresses may be changed when notice is given to the other party in the same manner as provided above. Any notice, demand or request sent pursuant to either Section 5.03(a) or 5.03(b) will be deemed received upon such personal service or upon dispatch by electronic means. Any notice, demand or request sent pursuant to Section 5.03(c) will be deemed received on the day immediately following deposit with the overnight courier and, if sent pursuant to Section 5.03(d) will be deemed received 2 days following deposit in the mail.

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ARTICLE SIX: ASSIGNMENT; BINDING EFFECT

6.01 Assignment. This Agreement, or any portion thereof, may not be assigned by either party without the prior written consent of the other.

6.02 Binding Effect. This Agreement is for the benefit of and will be binding upon the City, the CTA and their respective successors and permitted assigns. This Agreement is intended to be and is for the sole and exclusive benefit of the parties hereto and such successors and permitted assigns.

ARTICLE SEVEN: MODIFICATION

7.01 Modification. This Agreement may not be altered, modified or amended except by written instrument signed by all of the parties hereto.

ARTICLE EIGHT: COMPLIANCE WITH LAWS

8.01 Compliance with Laws. The parties hereto will comply with all Federal, state and municipal laws, ordinances, rules and regulations relating to this Agreement.

ARTICLE NINE: GOVERNING LAW AND SEVERABILITY

9.01 Governing Law and Severability. This Agreement is governed by the laws of the State of Illinois. If any provision of this Agreement is held or deemed to be or shall in fact be inoperative or unenforceable as applied in any particular case in any jurisdiction or jurisdictions or in all cases because it conflicts with any other provision or provisions hereof or any constitution, statute, ordinance, rule of law or public policy, or for any reason, then such circumstance shall not have the effect of rendering any other provision or provisions contained herein invalid, inoperative or unenforceable to any extent whatsoever. The invalidity of any one or more phrases, sentences, clauses, or sections contained in this Agreement shall not affect the remaining portions of this Agreement or any part hereof.

ARTICLE TEN: COUNTERPARTS

10.01 Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original.

ARTICLE ELEVEN: ENTIRE AGREEMENT

11.01 Entire Agreement. This Agreement constitutes the entire agreement between the parties and cannot be modified or amended except by mutual written agreement of the parties.

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ARTICLE TWELVE: AUTHORITY

12.01 Authority. Execution of this Agreement by the City is authorized by an ordinance passed by the City Council of the City on __, 20__. Execution of this Agreement by the CTA is authorized by CTA Ordinance 010-117. The parties represent and warrant to each other that they have the authority to enter into this Agreement and perform their obligations hereunder.

ARTICLE THIRTEEN: HEADINGS

13.01 Headings. The headings and titles of this Agreement are for convenience only and shall not influence the construction or interpretation of this Agreement.

ARTICLE FOURTEEN: DISCLAIMER OF RELATIONSHIP

14.01 Disclaimer of Relationship. Nothing contained in this Agreement, nor shall any act of the City or the CTA be deemed or construed by any of the parties hereto or by third persons, to create any relationship of third party beneficiary, principal, agent, limited or general partnership, joint venture, or any association or relationship involving the City and the CTA.

ARTICLE FIFTEEN: CONSTRUCTION OF WORDS

15.01 Construction of Words. The use of the singular form of any word herein shall also include the plural, and vice versa. The use of the neuter form of any word herein shall also include the masculine and feminine forms, the masculine form shall include feminine and neuter, and the feminine form shall include masculine and neuter.

ARTICLE SIXTEEN: NO PERSONAL LIABILITY

16.01 No Personal Liability. No member, official, employee or agent of the City or the CTA shall be individually or personally liable in connection with this Agreement.

ARTICLE SEVENTEEN: REPRESENTATIVES

17.01 Representatives. Immediately upon execution of this Agreement, the following individuals will represent the parties as a primary contact in all matters under this Agreement.

Chicago Transit Authority Attn: Mr. William P. Tell Senior Procurement Administrator 567 West Lake Street Chicago, Illinois 60661 Phone:(312)681-2466 Fax: (312)681-2495

For the CTA:

Primary Representative:

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Alternate Representative: Chicago Transit Authority

Attn: Mr. Kevin Loughnane Chief of Facilities Initiatives 567 West Lake Street Chicago, Illinois 60661 Phone: (312) 681-3930 Fax: (312) 681-3905

For the City: City of Chicago

Department of Fleet Management Attn: Mr. Sean Daniher Manager of Fleet Services 1685 North Throop Street Chicago, Illinois 60642 Phone: (312) 744-8174 Fax: (312) 742-1493

Each party agrees to promptly notify the other party of any change in its designated representative, which notice shall include the name, address, telephone number and fax number of the representative for such party for the purpose hereof.

ARTICLE EIGHTEEN: INSURANCE

18.01 Insurance. To the extent permitted by law, the CTA may self-insure for the City's insurance requirements as stated in Exhibit B.

[The remainder of this page is intentionally left blank and the signature page follows.]

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IN WITNESS WHEREOF, each of the parties has caused this Agreement to be signed delivered as of the Effective Date.

CITY OF CHICAGO, ILLINOIS, by and through the Department of Fleet Management

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By:__:

Commissioner

Department of Fleet Management

CHICAGO TRANSIT AUTHORITY

By: _

Printed

Name: _

Title: Chairman

Attest:

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EXHIBIT A CITY FUELING LOCATIONS A schedule of City Fueling locations follows this exhibit cover sheet.

Department of Fleet Management-Fuel Management Division All City-Wide Fueling Facilities

SITE NUM	Site Address	Ward	Fuel Types Available	Hrs of Operation
FS205	3245 N. Campbell	47th	Unleaded	7 Day / 24 Hr

FS001	1685 N. Throop St	32nd	Unleaded, Diesel, E85	7 Day / 24 Hr
FS002	6445 N. Ravenswood	40th	Unleaded, Diesel	7:00 am to 11:00 pm Holidays/Governmen' t Shut-down Days -Open Day shift Only (7:00 - 3:00 pm)
FS003	4233 W. Ferdinand	28th	Unleaded, Diesel, CNG, E85	7 Day / 24 Hr Closed All Holidays and Government Shut- down Days
FS004	3746 S. Iron	11th	Unleaded, Diesel, CNG, E85	7 Day / 24 Hr
FS005	4833 W. Sunnyside	45th	Unleaded, Diesel, CNG, E85	7 Day / 24 Hr
FS006	10101 S. Stony Island	7th	Unleaded, Diesel, CNG, E85	7 Day / 24 Hr
FS008	10420 S. Vincennes	19th	Unleaded, Diesel	7:00 am to 11:00 pm Closed All Holidays Government Shut- down Days
FS009	25 West 65 th Street (Corner of 65th/State)	20th	Unleaded, Diesel, CNG	7 Day / 24 Hr Closed All Holidays Government Shutdown Days

Last Updated 10/13/2009

NOTE: Fuel Sites closed on Holidays: Close at 11:00 pm the eve of the holiday and re-open at 11:00 pm the night of the holiday.

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FLEET / CTA FUEL ACCESS IGA __, 2010

EXHIBIT B

INSURANCE REQUIREMENTS

The CTA shall provide and maintain at CTA's own expense, during the term of this Agreement, the insurance coverages and requirements specified below, insuring all operations related to the Agreement.

A. INSURANCE TO BE PROVIDED

1) Workers Compensation and Employers Liability

Workers Compensation as prescribed by applicable law covering all employees who are to provide a service under this Agreement and Employers Liability coverage with limits of not less than \$100,000 for each accident or illness.

2) Commercial General Liability (Primary and Umbrella)

Commercial General Liability Insurance or equivalent with limits of not less than \$1,000,000 per occurrence for bodily injury, personal injury, and property damage liability. Coverages shall include the following: All premises and operations, products/completed operations, separation of insureds, defense, and contractual liability (with no limitation endorsement). The City of Chicago is to be named as an additional insured on a primary, non-contributory basis for any liability arising directly or indirectly from the services.

3) Automobile Liability (Primary and Umbrella)

When any motor vehicles (owned, non-owned and hired) are used in connection with this Agreement, the CTA

shall provide Automobile Liability Insurance with limits of not less than \$1,000,000 per occurrence for bodily injury and property damage. The City of Chicago is to be named as an additional insured on a primary, non-contributory basis.

4) Self Insurance

To the extent permitted by law, the CTA may self insure for the insurance requirements specified above, it being expressly understood and agreed that, if the CTA does self insure for the above insurance requirements, the CTA shall bear all risk of loss for any loss which would otherwise be covered by insurance policies, and the self insurance program shall comply with at least the insurance requirements as stipulated above.

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***B. OTHER REQUIREMENTS**

The CTA will furnish the City of Chicago, Department of Procurement, City Hall, Room 403, 121 North LaSalle Street 60602, original Certificates of Insurance evidencing the required coverage to be in force on the date of this Agreement, and Renewal Certificates of Insurance, or such similar evidence, if the coverages have an expiration or renewal date occurring during the term of this Agreement. The CTA shall submit evidence of insurance on the City of Chicago Insurance Certificate Form or an equivalent form acceptable to the City of Chicago's Department of Risk Management prior to the commencement of this Agreement. The receipt of any certificate does not constitute agreement by the City that the insurance requirements in the Agreement have been fully met or that the insurance policies indicated on the certificate are in compliance with all of the Agreement's requirements. The failure of the City to obtain certificates or other insurance evidence from the CTA shall not be deemed to be a waiver by the City. The CTA shall advise all insurers of the provisions of this Agreement regarding insurance. Non-conforming insurance shall not relieve the CTA of the obligation to provide insurance as specified herein. Nonfulfillment of the insurance conditions may constitute a violation of the Agreement, and the City retains the right to halt performance under this Agreement until proper evidence of insurance is provided, or the Agreement may be terminated.

The insurance shall provide for 60 days prior written notice to be given to the City in the event coverage is substantially changed, canceled, or non-renewed.

Any and all deductibles or self insured retentions on referenced insurance coverages shall be borne by the CTA. The CTA agrees that insurers shall waive their rights of subrogation against the City of Chicago, its employees, elected officials, agents, or representatives.

The CTA expressly understands and agrees that any coverages and limits furnished by CTA shall in no way limit the CTA's liabilities and responsibilities specified within the Agreement documents or by law.

The CTA expressly understands and agrees that any insurance or self-insurance programs maintained by the City of Chicago shall not contribute with insurance provided by the CTA under the Agreement.

The required insurance shall not be limited by any limitations expressed in any indemnification language herein or any limitation placed on the indemnity therein given as a matter of law.

The City of Chicago maintains the right to modify, delete, alter or change these requirements and shall provide written notice to the CTA of any such changes.

S:\Finance\Nyberd;\Ordinances\Fleet & CTA Fuel Ord - 02-03-11 .wpd

ORDINANCE

WHEREAS, the City of Chicago (the "City") is a home rule municipality as described in Section 6 (a), Article VII of the 1970 Constitution of the State of Illinois, and as such may exercise any power and perform any function pertaining to its government and affairs; and

WHEREAS, the City, through its Department of Fleet Management ("Fleet") and the Chicago Transit Authority, an Illinois municipal corporation ("CTA") each desire to enter into an agreement whereby the CTA will have access to the City's fueling sites, and CTA will purchase fuel and other ancillary liquids from the City; now, therefore,

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF CHICAGO:

Section 1. Recitals. The above recitals are incorporated by reference as if fully set forth herein.

Section 2. Authority. Subject to the approval of the Corporation Counsel, the Commissioner of Fleet (the

"Commissioner") or a designee of the Commissioner are each hereby authorized to execute and deliver the Fuel Access Agreement (the "Agreement") in substantially the form attached hereto as Exhibit A^ with such changes, deletions and insertions thereto as the Commissioner or the Commissioner's designee shall approve (execution of the Agreement by the Commissioner or the Commissioner's designee constituting conclusive evidence of such approval), and to enter into and execute all such other agreements and instruments, and to perform any and all acts as shall be necessary or advisable in connection with implementation of the Agreement.

Section 3. Invalidity of Any Section. If any provision of this ordinance shall be held to be invalid or unenforceable for any reason, then the invalidity or unenforceability of such provision will not affect any of the remaining provisions of this ordinance.

Section 4. Superseder. All ordinances, resolutions, motions or orders in conflict with this ordinance are hereby repealed to the extent of such conflict.

Section 5. Effective Date. This ordinance shall be in full force and effect immediately upon its passage and approval.

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