



Office of the City Clerk

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Legislation Details (With Text)

File #: O2011-4618
Type: Ordinance **Status:** Passed
File created: 6/8/2011 **In control:** City Council
Final action: 7/6/2011
Title: Amendment of Municipal Code Section 2-40-030 regarding natural gas purchases
Sponsors: Emanuel, Rahm
Indexes: Ch. 40 Dept. of General Services
Attachments: 1. O2011-4618.pdf

Date	Ver.	Action By	Action	Result
7/6/2011	1	City Council	Passed	Pass
6/23/2011	1	Committee on Budget and Government Operations	Recommended to Pass	Pass
6/8/2011	1	City Council	Referred	

OFFICE OF THE MAYOR

CITY OF CHICAGO
RAHM EMANUEL, MAYOR

June 8, 2011

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

Ladies and Gentlemen:

At the request of the Commissioner of General Services, I transmit herewith an ordinance amending Section 2-40-030 of the Municipal Code regarding natural gas purchases.

Your favorable consideration of this ordinance will be appreciated.

Very truly yours,

Mayor

/ ORDINANCE

WHEREAS, The City of Chicago is a home rule unit of government as defined in Article VII, §6(a) of the Illinois Constitution and, as such, may exercise any power and perform any function pertaining to its government and affairs; and

WHEREAS, The purchase of natural gas to supply City facilities and services is a matter pertaining to the government and affairs of the City of Chicago; and ^

WHEREAS, The City wishes to minimize the impact that fluctuating and rising natural gas prices will have on the City budget and to purchase natural gas in the wholesale market to obtain more advantageous pricing; and
WHEREAS, Such pricing mechanisms may include variable pricing, such as an exchange-based or index-based price methodology, in which the price the City pays at any given time for natural gas is based upon an index or exchange-traded price for a given delivery month, determined as of the date the City places an order for natural gas, or a fixed price, whereby the price the City pays for natural gas is fixed in an order placed for natural gas, or a combination of both variable and fixed pricing mechanisms; and

WHEREAS, The City further desires the ability to sell natural gas back to the supplier in such quantities as the City deems necessary in order to manage its store of natural gas such that the City remains in compliance with storage capacity requirements allocated to it by the City's natural gas local distribution company; now, therefore,

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

SECTION 1. The above recitals are expressly incorporated in and made part of this ordinance as though fully set forth herein.

SECTION 2. Section 2.-40-030 of the Municipal Code of Chicago is hereby amended by deleting the language stricken through and by inserting the language underscored, as follows:

2-40-030 Commissioner of general services - Powers and duties.

The commissioner of general services shall have the following duties and responsibilities:

(Omitted text is unaffected by this ordinance)

p. To take such actions that the commissioner considers necessary to protect the city's intellectual property rights in publications and other products produced or facilitated by the department; and

£. To enter into contracts for the sale and purchase of natural gas, subsequent to a competitive solicitation, and containing such terms as are useful, customary and appropriate for such transactions in the industry, including but not limited to the following provisions: supplying a bond, letter of credit or other performance-related security to the vendor, indemnifying the vendor, addressing the sale of natural gas back into the market at a loss, and addressing damages for the City's late payment, early termination or failure to perform; and to execute any ancillary documents necessary to affect any transactions contemplated by such contracts. Any such contracts shall be subject to the availability of funds duly appropriated for such contracts and to review and approval by the City's chief financial officer; and

q r. To do any and all other acts which may be necessary for the implementation of other powers conferred on the commissioner and the department under this chapter.

SECTION 3. This ordinance shall take full force and effect upon its passage and publication.