



Office of the City Clerk

City Hall
121 N. LaSalle St.
Room 107
Chicago, IL 60602
www.chicityclerk.com

Legislation Text

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ORDER

WHEREAS, on December 19, 1990, the Chicago City Council adopted an ordinance authorizing an agreement (hereinafter referred to as the Use Agreement) between the City of Chicago and the Chicago International Carriers Association Technical Equipment Corporation (hereinafter referred to as CICA TEC), and its members; and

WHEREAS, pursuant to the Use Agreement, CICA TEC is authorized to use space, install certain technical equipment, including, but not limited to, a baggage handling system, (hereinafter referred to as the Consortium Equipment), and operate and maintain the Consortium Equipment at O'Hare International Airport, Terminal 5; and

WHEREAS, the term of the Use Agreement runs until May 11, 2018; and

WHEREAS, the City financed the planning, design, fabrication, installation, construction, start-up and testing of the Consortium Equipment, at an estimated cost of \$59,200,000, in whole or in part from the proceeds of the issuance of Series 1990 Special Revenue Bonds; and

WHEREAS, pursuant to the Use Agreement, all Consortium Equipment remains the property of the City; and

WHEREAS, CICA TEC continues to operate the Consortium Equipment and, pursuant to the Use Agreement, is authorized to retain certain contractors in connection with the operation and maintenance of the Consortium Equipment; and

WHEREAS, on January 15, 2013, CICA TEC entered into a maintenance and operations services agreement with Oxford Electronics DBA Oxford Airport Technical Services (hereinafter referred to as Oxford) pursuant to which Oxford intends to operate and maintain certain Consortium Equipment; and

WHEREAS, on March 4, 2013, Local 399 of the International Union of Operating Engineers filed unfair labor practice charges with the National Labor Relations Board on behalf of its members against CICA TEC, Oxford, and the Transport Workers Union alleging unfair labor practices and seeking injunctive relief; and

WHEREAS, the charges allege, among other things, that the successor employers have failed to recognize IUOE Local 399 as the exclusive bargaining representative of its members, many of whom have worked at Terminal 5 for the past 20 years; and

WHEREAS, the Use Agreement provides that CICA TEC's right to use the premises for the purposes of maintaining and operating the Consortium Equipment shall be carried on so as to not unreasonably interfere with the safe operation of the airport; and

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WHEREAS, it is the policy of the City that Minority Business Enterprises (MBEs) shall have the maximum feasible opportunity to participate fully in all contracts financed in whole or in part with City funds or funds over which the City has control; and

WHEREAS, Section 2-92-430 of the Municipal Code of Chicago directs the Chief Procurement Officer to establish an overall goal of awarding not less than 25% of the annual dollar value of all City contracts to MBEs; and

WHEREAS, pursuant to the maintenance and operations services agreement between CICA TEC and Oxford, Oxford has committed to awarding no less than 16.9% of the total compensation for services to MBEs; and

WHEREAS, retention of Oxford to maintain and operate City property violates the spirit of the City's MBE Program; and

WHEREAS, the Use Agreement provides that the City has the right to disapprove of contractors intended to be retained by CICA TEC for the operation and maintenance of the Consortium Equipment; NOW THEREFORE

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

Alderman, 14th Ward

That the Commissioner of the Department of Aviation of the City of Chicago is hereby ordered assert her authority under the Use Agreement to suspend the approval of Oxford as a contractor of CICA TEC, pending resolution of the aforementioned unfair labor practice charges and a review of MBE participation in relation to the Use Agreement.

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