

ORDINANCE NO. 001-41

AN ORDINANCE AUTHORIZING  
ENTRY INTO AGREEMENTS WITH  
THIRD PARTY ADMINISTRATORS  
AND INTERNET VENDORS TO SELL  
CTA FARE MEDIA

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WHEREAS, Pursuant to Ordinances No. 99-58 and No. 99-98, the Chicago Transit Authority ("Authority") and the Regional Transit Administration ("RTA") formed the RTA/CTA Transit Benefit Program ("Transit Benefit Program"); and

WHEREAS, Under the Transit Benefit Program, the Authority and the RTA offer for sale to Chicago area employers both RTA transit vouchers and specified CTA farecards and transit passes; and

WHEREAS, Said employers agree to sell the CTA farecards and transit passes and RTA transit vouchers at full value to their employees, who purchase the fare media with pre-tax earnings; and

WHEREAS, A number of third-party administrators ("TPAs") have expressed an interest in contracting with the Authority to offer CTA farecards and transit passes, as well as the fare media of other transit providers, to large, multi-state or multi-site employers; and

WHEREAS, The TPAs also handle the complex payroll processing and necessary IRS record keeping for these large employers; and

WHEREAS, The various administrative services offered by TPAs, which are not provided by the Authority and the RTA, make it more attractive for multi-state or multi-site employers to participate in the Transit Benefit Program; and

WHEREAS, There is no charge to the Authority for the TPAs' services; and

WHEREAS, Vendors selling transit fare media on the Internet have also expressed an interest in selling CTA fare media, generally in large quantities("Internet Vendors"); and

WHEREAS, The Authority can exercise more control over the manner in which its fare media is sold by TPAs and Internet Vendors by entering into a contract with each of the interested companies; and

WHEREAS, The TPAs and Internet Vendors with whom the Authority contracts will be authorized to use the CTA logo in their promotional materials as long as they comply with the Authority's written standards for logo usage; and

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WHEREAS, The Internet Vendors and those TPAs who place their orders for fare media through the Authority's web site will have their orders filled on a very short time frame; and

WHEREAS, Staff recommends that the Authority enter into contracts with interested TPAs and Internet Vendors to sell all of the CTA farecards and transit passes, including but not limited to reduced fare passes and paratransit passes, for an initial term of one (1) year with two automatic one (1) year extensions; now, therefore:

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

SECTION 1. The Chicago Transit Board hereby authorizes the Authority to enter into contracts with interested third-party administrators and Internet vendors to sell CTA fare media, for an initial term of one (1) year with two automatic one (1) year extensions, substantially in the form set forth in Exhibit A attached hereto

SECTION 2. The Chairman, or her designee, is authorized to execute all documents necessary to effectuate this Ordinance.

SECTION 3. 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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Assistant Secretary

March 7, 2001

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