

ORDINANCE NO. 98-84

AN ORDINANCE AUTHORIZING AN
AMENDMENT TO THE SERVICES
AGREEMENT WITH GREAT WEST LIFE
AND ANNUITY INSURANCE COMPANY
IN REGARD TO THE DEFERRED
COMPENSATION PLAN ESTABLISHED
BY THE AUTHORITY AND
ESTABLISHING A CUSTODIAL
AGREEMENT WITH NORWEST BANK
COLORADO

WHEREAS, The Chicago Transit Board, in Ordinance Numbers 77-121, of October 5, 1977 and 83-66 of May 4, 1983, established a Deferred Compensation Plan for Chicago Transit Authority Employees pursuant to the provisions of Section 457 of the Internal Revenue Code; and

WHEREAS, The Authority retained the services of Great West Life and Annuity Insurance Company pursuant to Ordinance 94-142 and a Services Agreement dated January 3, 1995, to provide administrative, record keeping and communication services for the Authority's Deferred Compensation Plan; and

WHEREAS, The Authority desires to continue, amend and restate this Agreement; and

WHEREAS, Great West Life and Annuity Insurance Company has a custodial relationship with Norwest Bank Colorado the cost benefit of which shall be passed on to the Authority; and

WHEREAS, The cost savings passed on to the Authority by using Norwest could not be duplicated by using another bank as its custodian; and

WHEREAS, The Chicago Transit Board deems it appropriate to establish a custodial account pursuant to an agreement with Norwest Bank Colorado to satisfy the provisions of Section 457(g) of the Internal Revenue Code in regard to the Deferred Compensation Plan; and

WHEREAS, Section 54.35 of the Authority's Regulations Governing Purchase and Sales Transactions states that contracts for which the Board determines that competitive bidding is disadvantageous are not adapted to award by competitive bidding; now, therefore:

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

ORDINANCE NO. 98-84
(Continued) -2

SECTION 1. That the Chairman or her designee is hereby authorized to amend and restate its Services Agreement, with the Great West Life and Annuity Insurance Company for a period ending December 31, 2000 and to execute all necessary and appropriate documents incidental thereto, said amended Agreement being in substantial conformance with the terms set forth in Exhibit A, attached hereto.

SECTION 2. The Board hereby determines that bidding is disadvantageous as to the Custodial Account Agreement with Norwest Bank Colorado.

SECTION 3. The Chairman or her designee is authorized to negotiate and enter into a Custodial Account Agreement with Norwest Bank Colorado to comply with the provisions of Section 457(g) of the Internal Revenue Code at a cost not-to-exceed \$1,750.00 per year.

SECTION 4. This ordinance shall be in full force and effect from and after its passage.

APPROVED:


Chairman

PASSED:


Secretary

September 9, 1998

September 9, 1998