

ORDINANCE NO. 002-06

AN ORDINANCE REJECTING
AWARD AND AUTHORIZING A
NEGOTIATED CONTRACT FOR
EXCESS PROPERTY INSURANCE
COVERING DIRECT PHYSICAL
LOSS OF INSURED CTA PROPERTY
(BUILDING, CONTENTS, ROLLING
STOCK)

WHEREAS, On December 7, 2001, an Invitation for Bids (IFB) for thirty-six (36) months of coverage for excess property insurance covering direct physical loss of insured CTA property (building, contents, rolling stock) was advertised; and

WHEREAS, Two responses were received and the respondents were unable to quote coverage rates beyond twelve (12) months; and

WHEREAS, The two responses received for this procurement also took exceptions to the bid documents, citing exclusions to their coverage that are related to acts of terrorism, boiler explosions, and computer and Internet losses; and

WHEREAS, By taking exceptions to the bid documents, both bidders were found to be non-responsive; and

WHEREAS, Staff has determined that given the present conditions in the insurance industry, a re-solicitation of this requirement is unlikely to yield different results and would not be in the best interests of the Authority or the public; and

WHEREAS, Staff recommends that all bids be rejected and that the Board authorize award of a negotiated contract to the bidder offering the best combination of coverage and price, AON Risk Services of IL, Inc.; now, therefore:

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

SECTION 1. The Transit Board rejects all bids received for excess property insurance under Requisition B01OP00597.

SECTION 2. That the Chairman of the Board, or her designee, is hereby authorized to enter into a negotiated contract with AON Risk Services of IL, Inc., for

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excess property insurance covering direct physical loss of insured CTA property (building, contents, rolling stock) as required for a period of twelve (12) months in the amount of seven hundred eight thousand dollars (\$708,000.00), under Requisition No. B01OP00597.

SECTION 3. This ordinance shall be in full force and effect from and after its passage.

APPROVED:

PASSED:

Chairman

Assistant Secretary

January 9, 2002

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