

May 22, 2002

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APPROVE EXERCISING THE SECOND OPTION TO RENEW THE AGREEMENT WITH ARTHUR J. GALLAGHER & COMPANY FOR PROPERTY INSURANCE BROKERAGE SERVICES

THE FOLLOWING DECISION:

THE CHIEF EXECUTIVE OFFICER REPORTS T

Approve exercising the second option to renew the agreement with Arthur J. Gallagher & Company.

SCOPE OF SERVICES: Gallagher's services shall result in an effective property insurance program protecting the assets of the Board. Additionally, Gallagher shall arrange for appropriate administration of property claims falling within the Board's \$500,000 self-insured retention.

COMPENSATION: Arthur J. Gallagher & Company shall be paid an annual Brokerage Administration Fee of \$65,000 payable in a lump sum payment upon execution of the option agreement. Loss

will be billed at a rate not to exceed \$125.00 per hour for technical adjustment services and \$55.00 per hour for non-technical services. Total payment to vendor for loss adjustment services shall not exceed \$40,000.

AUTHORIZATION: Authorize the General Counsel to include other relevant terms and conditions in the **AUTHOR**

Authorize the Director of Risk & Benefits Management to execute all ancillary documents required for this first option agreement.

Business Enterprise Contract Participation (MWRP) Plan bills contracts exempt from review because

02-0522-PR16

GENERAL CONDITIONS:

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