

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

THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:

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

period not to exceed \$66,000 and loss adjustment services at a cost not exceed \$75,000 for the period. A written document exercising this first option is currently being negotiated. No payment made to Consultant during the option period prior to the execution of the written option document authority granted herein shall automatically rescind in the event a written option document is not

Specification No.: 99-250245

CONSULTANT: Arthur J. Gallagher & Company, USAER, Bureau of Risk & Reser-

Worcester, MA 01501 Clark St. 01501
Itasca, IL 60143-3141 Georgette Hampton, Director
(630) 773-3800 773) 553-2818

Vendor # 32164

ORIGINAL AGREEMENT: The original agreement (authorized by Board Report 99-0526-PR

OPTION PERIOD: The term of this first option period shall commence May 26, 2001 and end May 26

2002

terms and conditions, including the following:
1. The Company authorizes the President and Secretary to execute the option documents, and the Chief Financial Officer to execute the option documents, and the Director of Risk & Benefits Management to execute all ancillary documents required to administer or effectuate this first option agreement.

2. This firm agrees to comply with the provisions of the Revised Rater's IRP for MWRB Economic Incentives for the full compliance with the IRP.