



To: Delaware Cash Management Policy Board – Investment Subcommittee

From: John Krimmel, Kevin Leonard, and Jennifer Appel

Date: July 13, 2021

Subject: Investment Custody Services RFP Recommendation

The Request for Proposals (RFP) for Investment Custody Services has been issued, a written response has been received, evaluated, an oral presentation has been heard, and a recommendation has been formulated by the RFP Evaluation Team. A summary of the RFP process and recommendation follows.

RFP Process Summary

The RFP for Investment Custody Services was issued on April 9, 2021. A single response from the incumbent, The Northern Trust Company (Northern Trust), was received by the May 21, 2021 submission deadline.

The Evaluation Team, consisting of Liza Davis, Fiah Kwesseu, Steve McVay, Claudia Moses, and John Krimmel, met on June 15, 2021, to evaluate the written response. Northern Trust was invited to make an oral presentation to discuss their proposal.

The oral presentation was heard by the Evaluation Team via videoconferencing on Thursday, July 8, 2021. Immediately, following the presentation, the Evaluation Team met and commenced deliberations. OST Staff personnel indicated that they were pleased with the services and servicing level received from Northern Trust during the current contracting period. Also, Northern Trust agreed to commence providing monthly reporting one day earlier than current practice (requested for DEFAC interest estimate deadlines) and provide one combined report (instead of two separate reports) for each manager account. Also, Northern Trust agreed to provide all current services at \$150,000 per year (a \$10,000 reduction) for the initial five-year contract period. Following the discussion, members of the Evaluation Team agreed to recommend that Northern Trust be selected to provide Investment Custody Services and that the Cash Management Policy Board (CMPB) enter negotiations with Northern Trust.

The Evaluation Team looks forward to discussing this recommendation with the Investment Subcommittee on August 4, 2021.