



## MEMORANDUM

To: Cash Management Policy Board  
From: Fiah M. Kwessey, Director of Operation and Funds Management  
CC: Colleen C. Davis, State Treasurer, Jordan Seemans, Deputy State Treasurer,  
Khairat Makanjuola, Chief Operating Officer & Jason Staib, Deputy Attorney General  
Date: Wednesday, October 16, 2024  
**RE: Govolution Contract Amendment Memo**

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### Purpose:

This memo provides a summary of the recent discussions and decisions regarding the amendment of the Govolution contract. The original contract expired on June 30, 2024, and this memo outlines the ratified votes taken by the Cash Management Policy Board (the "Board") and subsequent actions by the Office of State Treasurer (OST) to extend the contract, as well as a proposed motion for further extension.

### Summary of Amendments and Extensions:

#### • Contract Expiration and Extensions:

- The original Govolution contract expired on June 30, 2024.
- The Board granted OST the authority to negotiate several extensions:
  - Two six-month extensions to June 30, 2025: Approved on June 7, 2023.
  - Two six-month extensions to June 30, 2026: Approved on December 13, 2023.
  - One six-month extension to December 31, 2026: Approved on June 8, 2024.

#### • Pricing Negotiations and Terms:

- Govolution initially proposed an annual maintenance fee of \$155,000 for periods beginning July 1, 2024, with a 25% increase each period capped at \$300,000 per annum.
- OST successfully negotiated more favorable terms for the approved extension periods:
  - July 1, 2024 - June 30, 2025: \$135,000
  - July 1, 2025 - June 30, 2026: \$160,000
  - July 1, 2026 - December 31, 2026: \$80,000

#### • Discussion on Additional Extension:

- OST had a brief discussion with the CMPB Board Chair regarding the potential for securing another six-month extension to June 30, 2027, under the same pricing terms as the previous extension.
- The proposed extension would be at a fixed price of \$80,000 for the period from January 1, 2027, to June 30, 2027.

### Action Required:

**MOTION:** To memorialize an additional six-month extension of the Govolution contract to June 30, 2027, at a fixed price of \$80,000.

### Next Steps:

**Board Vote:** The Board is requested to memorialize the vote on the proposed motion to extend the contract. This recommendation was approved by the Board Subcommittee (BSC) and will be presented at the CMPB meeting on September 11, 2024. No further action will be necessary by either the BSC or the Board following the September 11th meeting.

**Contact Information:**

For any questions or further discussion, please reach out to Fiah Kwesseu at [fiah.kwesseu@delaware.gov](mailto:fiah.kwesseu@delaware.gov) or (302) 672-6708.