

ADDENDUM # 1



Security Custody Services

HRTAC-RFP-2022-01

October 15, 2021

Accountability Commission (HRTAC) pertaining to Request for Proposal (RFP) No. HRTAC-RFP-2022-01.

- 1) The Wealth Control, Governance & Risk team at our firm has advised us not to use any form of removable media. Instead we are to utilize the bank's secure email method of delivering documentation. Would we be disqualified if we were to submit our electronic copy of the proposal via encrypted email? Please advise at your earliest convenience.

Submitting the electronic copy via encrypted email is acceptable.

- 2) Please confirm that the accounts do not hold pension assets or ERISA covered funds.

The accounts hold only public funds and are not related to any retirement plan.

- 3) Is there Repo activity in the accounts and if so, please describe the program (# trades per month, amount)?

HRTAC has not historically used any sort of repurchase agreement in the management of the investment accounts subject to this RFP.

- 4) Cash activity in the accounts: Does HRTAC employ automated daily investment sweeps to invest cash positions? If so, what is the average amount?

Over the past five years, there has been no deposit or withdrawal activity from the accounts subject to this RFP. Over the course of the next five years there may be one or two withdrawals per year, more as needed. The withdrawals will range in size but in total may be as much as \$150 million. HRTAC is currently not able to estimate the timing or individual amounts of these withdrawals. From day-to-day there are currently balances temporarily held in a government money market fund until the balances are invested in other fixed income securities. These balances have ranged from \$100 to as much as \$5,000,000 due to the timing of trade settlement. Please be sure to fully respond to question #12 Overnight Investment Sweep in RFP Section INVESTMENT CUSTODY SERVICES QUESTIONS.

- 5) Is this a requirement: Custodial reporting to comply with GASB No 72 Fair Value measurement?

Please refer to Section VII. SPECIFIC PROPOSAL INSTRUCTIONS, B., 10. Provide reporting to comply with the requirements of GASB Statement No. 72 – Fair Value Measurement and Application.

- 6) What is the number of incoming and outgoing wires per month as directed by HRTAC (excludes automated sweeps)?

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be as much as \$150 million. HRTAC is currently not able to estimate the timing or individual amounts of these withdrawals.

- 7) Limit on # pages to 20: Section VII requires inclusion of audited financials, SSAE 16 report and Sample Custody Reports, all of which will require a significant number of pages. How can we comply with the 20 page limit?

Response: Sample Custody Reports, SSAE 16 reports, and audited financials are not included in the 20-page limit.

- 8) Attachment 2 (Detailed Scope of Work): Can we include responses to Attachment 2 with the Section VII responses?

Yes.

- 9) Please confirm that Appendix A is the official Contract for HRTAC.

No, Appendix A contains definitions of terms and conditions.

- 10) Form 10 References: Our policy limits custody references to three existing clients. Will this be acceptable?

HRTAC intends to contact as many as five references provided in response to the RFP. HRTAC will accept anywhere from three to five references on Form 10.

- 11) Please identify the existing custodian. Are there any specific reason(s) you may be seeking a new custodian?

The existing custodian is U.S. Bank. Due to a planned acquisition of U.S. Bancorp Asset Management of HRTAC's investment advisor, HRTAC has determined to select an alternative custodian.