February 23, 2012

Local Government Investment Pool Participants

Dear Participants:

I am pleased to announce selection of The Bank of New York Mellon (BNY Mellon) as the next statewide securities custody provider. This appointment is effective April 1, 2012, through March 31, 2016, with an optional three-year extension.

RCW 43.08.280, passed by the 1999 Washington State Legislature, authorizes the Office of the State Treasurer (OST) to negotiate a statewide custodial contract on behalf of local governments and institutions of higher education. I want to stress that participation in this program is strictly at the option of the local entities.

This program has provided many benefits for the local entities of Washington. Most importantly, it allows local governments to get the best rate and terms from a single financial institution for custody banking services. It offers significant time savings for local entities because they don’t have to prepare and evaluate requests for proposals (RFPs) or negotiate contracts. The financial institution benefits, as well, by needing only one search process, as opposed to separate RFPs for each local entity.

As was the case when the program was inaugurated in 1999, the participation of likely clients in the selection process was invaluable. The evaluation team helped develop the RFP documents, evaluated vendor responses, visited sites of potential vendors and made the final recommendation to the State Treasurer. Members of the evaluation team were Arif Kanji, Snohomish County; Carrie Lewellen, City of Vancouver; Michele Pearson, Kitsap County; Erhiza Rivera, Benton County, and Tabatha Miller, Alderwood Water District.

I would also like to recognize members of the staff of the Office of the State Treasurer who played a key role in this selection process: Douglas Extine, Deputy Treasurer and RFP coordinator; Jill Gravatt, Investment Officer, and Kari Sample, LGIP Administrator.

I’d like to thank each member of the evaluation and the members of my staff for their commitment to this process. I also want to recognize the contribution of the Local Government Investment Pool (LGIP) Advisory Committee, which provided oversight of the selection process.
The evaluation team unanimously recommended to the LGIP Advisory Committee that BNY Mellon be selected as the statewide securities custody provider. The committee, in turn, made a unanimous recommendation to me. Based on those recommendations, I am naming BNY Mellon as the statewide securities custody provider.

If you are interested in program details you may contact Michael A. Jones, Vice President, BNY Mellon, Trust Company, 206-336-1616, or by e-mail at michael.a.jones@bnymellon.com. You can also get information about the program from OST by visiting our Web site at www.tre.wa.gov or by contacting Doug Extine at 360-902-9012 or by e-mail at doug@tre.wa.gov.

I am proud of the partnership my office shares with local governments as we serve the citizens of this state. This selection process was an excellent example of that relationship.

Sincerely,

[Signature]

JAMES L. MCINTIRE
WASHINGTON STATE TREASURER