

WORK SESSION AGENDA

CITY COUNCIL WORK SESSION
TUESDAY
MARCH 14, 2023

COUNCIL CHAMBERS
211 WEST ASPEN AVENUE
3:00 P.M.

All City Council Meetings are live streamed on the city's website
(<https://www.flagstaff.az.gov/1461/Streaming-City-Council-Meetings>)

*****PUBLIC COMMENT*****

Verbal public comments may be given through a virtual public comment platform or in-person

If you want to provide a verbal comment during the Council Meeting, use the link below to join the virtual public comment room.

VIRTUAL PUBLIC COMMENT WAITING ROOM

Written comments may be submitted to publiccomment@flagstaffaz.gov. All comments submitted via email will be considered written comments and will be documented into the record as such.

1. Call to Order

NOTICE OF OPTION TO RECESS INTO EXECUTIVE SESSION

Pursuant to A.R.S. §38-431.02, notice is hereby given to the members of the City Council and to the general public that, at this work session, the City Council may vote to go into executive session, which will not be open to the public, for legal advice and discussion with the City's attorneys for legal advice on any item listed on the following agenda, pursuant to A.R.S. §38-431.03(A)(3).

2. **ROLL CALL**

NOTE: One or more Councilmembers may be in attendance through other technological means.

MAYOR DAGGETT
VICE MAYOR ASLAN
COUNCILMEMBER HARRIS
COUNCILMEMBER HOUSE

COUNCILMEMBER MATTHEWS
COUNCILMEMBER MCCARTHY
COUNCILMEMBER SWEET

3. Pledge of Allegiance, Mission Statement, and Land Acknowledgement

MISSION STATEMENT

The mission of the City of Flagstaff is to protect and enhance the quality of life for all.

LAND ACKNOWLEDGEMENT

The Flagstaff City Council humbly acknowledges the ancestral homelands of this area's Indigenous nations and original stewards. These lands, still inhabited by Native descendants, border mountains sacred to Indigenous peoples. We honor them, their legacies, their traditions, and their continued contributions. We celebrate their past, present, and future generations who will forever know this place as home.

4. **Public Participation**

Public Participation enables the public to address the council about items that are not on the prepared agenda. Public Participation appears on the agenda twice, at the beginning and at the end of the work session. You may speak at one or the other, but not both. Anyone wishing to comment at the meeting is asked to fill out a speaker card and submit it to the recording clerk. When the item comes up on the agenda, your name will be called. You may address the Council up to three times throughout the meeting, including comments made during Public Participation. Please limit your remarks to three minutes per item to allow everyone to have an opportunity to speak. At the discretion of the Chair, ten or more persons present at the meeting and wishing to speak may appoint a representative who may have no more than fifteen minutes to speak.

5. **Review of Draft Agenda for the March 21, 2023 City Council Meeting**

Citizens wishing to speak on agenda items not specifically called out by the City Council may submit a speaker card for their items of interest to the recording clerk.

6. **City Manager Report**

Information Only

7. **Discussion and direction on whether to consider an invitation for bid for a lease within the Cheshire Park expansion area for a Telecommunication Facility (cell tower).**

City staff in the Property and Development Committee as well as Parks, Recreation, Open Space, and Events (PROSE) staff recommend not pursuing a lease in the Cheshire Park expansion area at this time.

8. **Update on Minimum Wage and Office of Labor Standards**

Provide information to Council and obtain feedback and input on the Flagstaff Minimum Wage Ordinance and management of the Office of Labor Standards.

9. **Council Discussion on Petition to Flagstaff City Council titled: Climate Emergency: Stop the Money Pipeline.**

Discussion related to the City's banking contract with Wells Fargo specific to the petition request.

Allow staff to continue to manage our banking services under the procurement requirements in order to remain compliant with the Procurement Code as adopted by City Council.

10. **Public Participation**

11. Informational Items To/From Mayor, Council, and City Manager; future agenda item requests

12. Adjournment

CERTIFICATE OF POSTING OF NOTICE

The undersigned hereby certifies that a copy of the foregoing notice was duly posted at Flagstaff City Hall on _____, at _____ a.m./p.m. in accordance with the statement filed by the City Council with the City Clerk.

Dated this _____ day of _____, 2023.

Stacy Saltzburg, MMC, City Clerk

**CITY OF FLAGSTAFF
STAFF SUMMARY REPORT**

To: The Honorable Mayor and Council
From: Stacy Saltzburg, City Clerk
Date: 03/09/2023
Meeting Date: 03/14/2023



TITLE:

City Manager Report

DESIRED OUTCOME:

Information Only

EXECUTIVE SUMMARY:

These reports will be included in the City Council packet for regularly scheduled Work Session meetings. The reports are intended to be informational, covering miscellaneous events and topics involving the City organization.

INFORMATION:

Attachments: [City Manager Report](#)
[Community Development End of Year Report](#)
[Capital Projects Monthly Report](#)
[Capital Projects Map](#)

City Manager's Report

March 10, 2023

Council and Colleagues, greetings. These reports will be included in the City Council packet for Council Work Sessions. The reports are intended to be informational, covering miscellaneous events and topics involving the city organization. This Report will include, as attachments, the bi-monthly Engineer & Capital Projects Update with a reference map, and the year-end report from Community Development. Enjoy!

In no particular order ...

Fire Department

- During this weekly report period Fire crews responded to three house fires, a dozen motor vehicle accidents on I-40 during the recent storms, a semi rollover at the bridge over Naval Observatory Road, two man-down calls, a pedestrian/vehicle accident, and a semi-truck leaking diesel.
- Council had a very informative update from the CARE two weeks ago, highlighting the number of calls and responses. The unit is off to a great start and is bringing positive results as an alternate response program.

Police Department

- This is good stuff, and the photo captures it all. Officers assisted the Over the Rainbow Butterfly Garden in partnership with the Tim Tebow foundation for the Annual Night to Shine and chess match with kids from the Northern Arizona Chess Center. Checkmate!



- Officer Ty Webster, shown here, was honored with officers from other agencies as the Veterans of Foreign Wars Officer of the year. Congratulations, Officer Webster!



- This one is a bit scary, with a positive outcome. Officers responded to a domestic violence incident wherein a man took his 13-month-old son and stated that he was going to drive off the Sedona ridge. The man was located but left the scene on two occasions with the child, driving in the vehicle at very high rates of speed. Officers were eventually able to contain the vehicle when the man backed his vehicle into one patrol car, and another patrol car pinned the vehicle into a snowbank. Officer Gilbert broke a vehicle window to rescue the child. Great work by these Officers in retrieving the child without injury.

Public Works

- Streets crews have been responding to multiple storms and are now hauling snow from cul-de-sacs and filling more than 258 potholes.
- Projects underway include the airport snow removal equipment building, siding for the Aquaplex, concrete at Jay Lively, and a coil door replacement in Fleet Services. They have also spent a good deal of time supporting the removal of snow within separated bike lanes (below).



- Facilities maintenance focused on gutter issues, paint, LED light upgrades, plumbing leaks, reprogrammed Fire panels, replaced weather stripping, identified and repaired a propane leak, heater repaired, roof repaired, and installed new timekeeping machines.
- Fleet Services has been busy with snow related emergency repairs and calls for assistance from Fire Department, Airport and Streets in addition to the normal work on solid waste and police department fleet.
- Solid Waste has continued to work with customers on picking up containers impacted by significant snowfall.
- Landfill has continued green waste work and development of landfill road.

Federal Earmark Appropriations

With a short window, actually a portal, within which to submit requests, we have focused on three areas for potential direct funding with our federal delegates. The three areas are referenced below. These requests are in the works - there is a portal and an application that needs to be filled out for each request, but they will be submitted in the days ahead. The short announcement and submittal deadline simply did not allow for much time to vet these priorities :

1. Shadow Mountain Detention Basin – Sarah Langley submitted this request to both Senators Kelly and Sinema.
2. Prescribed Fire Training Exchange – This request is ready to go in both Senator’s Kelly and Sinema’s portals once we receive a few more letters of support.
3. New fire facility to replace Station 6 (near NAH relocation site) – Chief Wilson is gathering the needed information, and this will soon be submitted.

We will also submit these three requests to Congressman Ciscomani.

More on Recruiting

Please mark you calendars for the Deputy City Manager Meet & Greet at City Hall on Thursday, April 6th, from 3-5pm. The following day is the Council Retreat for Capital Projects.

And check out the image here, showing the latest creative for the City of Flagstaff. The new recruitment window wrap was installed on March 9th at the Pulliam Airport near the TSA check-in. The other three windows that are vacant will be taken and paid for by DBA.



Significant efforts are being pursued for recruitment through Search Engine Marketing (SEM) -- a strategy providing premium ad location, appearing high in search rankings which increases visibility of the website. This paid search campaign ensures our website becomes a top option for job seekers to click on when searching for jobs and certain other criteria that fall under specific keywords.

Other digital tools and platforms are being utilized including LinkedIn. Our creative is optimized for clicks to the job listings page on the website.

And paper ads are also put into play, including ads like the example below which continue to run in AZ Daily Sun.



Meetings, Etc.

- On Thursday, March 9th, we attended the Sunnyside Neighborhood meeting to unveil the proposed Joe Montalvo project (new building to serve the neighborhood with possible uses including STEAM education for youth, office space, and community meeting space). Attendees for the city included Scott Overton, Amy Hagin, Rebecca Sayers, and me.

The project was well received, and the Council will likely be hearing from the Association in support of this. A subcommittee will be charging forward with discussions about potential uses of the facility.

The PROSE Team also presented the process and timeline for completion of the stormwater infrastructure underlying Ponderosa Park, and eventual park surface improvements.



- The Criminal Justice Coordinating Council (CJCC) met on March 8th. It was an in-person meeting with a full agenda.

- The Budget Team has been meeting all day, nearly every day, for the past three weeks, meeting with all the divisions to discuss their respective requests. It has been an arduous process, as it is every year. And we are making progress. Stay tuned as all this comes your way next month (April 7th – Capital Projects; April 27th & 28th – Budget Retreat).
- The Mayor and Vice Mayor and I met with Terry Madeksza (Downtown Business Alliance) on March 10th. We are resuming the monthly meetings.

That's a Wrap! Thank you.

Community Development End of Year Report for 2022



Community Development is pleased to share this End of Year Report that includes highlights from 2022. Behind all the numbers and words are real people providing a wide range of services to the residents of Flagstaff. We remain committed to our mission to serve the community with integrity and is a reflection of the fine folks in Community Development working together to make Flagstaff a better place for all. – Dan Folke, Community Development Director

"Mission: We build community together, we provide service with integrity and we honor the diverse heritage of Flagstaff."

In this Issue

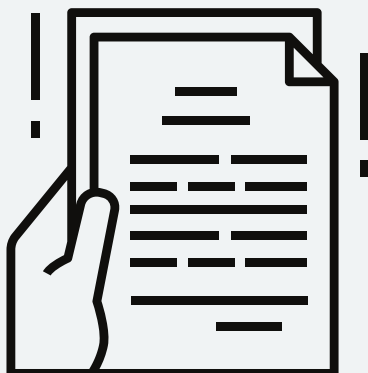
- Current Planning
- Historic Preservation
- Planning & Zoning
- Building Safety
- Regional Plan 2045
- Housing
- Real Estate
- End of Year Statistics

Current Planning

2022 saw numerous Development and Planning applications filed with the City.

- 50 Concept Plans were filed for review as well as 16 Site Plans.
- 7 new Development Agreements were submitted. The Cortland's development agreement was approved as was Juniper Point's development master plan.
- 2 Concept Plats, 8 Preliminary Plats, and 13 Final Plats were submitted in 2022.
- 22 Lot Combo/Spilt submissions were processed by Community Development .
- 17 Model Building Plan Reviews were received, while 14 had been approved by year's end.
- 90 Pre-Application Meetings were held by the Planning Department, which are designed to assist applicants prepare for project/permit submittals.
- 31 submittals came before Heritage Preservation for review to ensure that historic overlays are being maintained.
- 15 amendments were processed, 11 were Zoning Code Text Amendments and 4 were Zoning Map Amendments.

Click the link for a comprehensive list of private development - [Development Status Reports | City of Flagstaff Official Website \(az.gov\)](#)





Historic Preservation

Schultz Creek Basin Flood Control Project

The expedited response needed to mitigate the flooding after the Tunnel Fire was a challenge met by Historic Preservation.

- Many aspects of this effort to create flood mitigation had to be accomplished in an expedited manner for both Federal compliance as well as Local.
- This is the location of the first water reservoir and water distribution system from Flagstaff. It was locally designated with a historic zoning overlay for this reason.
- The Heritage Preservation Commission had a public hearing and made the determination that mitigation of the site would compensate for its loss. HPO recommended on site mitigation that is now in the planning stage.
- The pipe and concrete from the water distribution system is planned to be used as the base for interpretive signage at the site.
- Historic information regarding the Beal Wagon Road (camel road) will be noted by the marker at the SE corner of the site.
- The engineering that took place did manage to avoid approximately ¼ of the rim of the historic reservoir and its trees which still allows for an idea of its detentions.
- The site was also the location of Flagstaff's first Country Club.
- Indications of indigenous pottery scatter and a projectile were found.
- A cultural resource firm and a backhoe were brought in to carefully trench 3 areas to see if this was an inhabited site. It was not, though the scatter was prehistoric, it was washed into the site.
- Flagstaff initiated a contract, and paid for a Cultural Resource Survey and field investigation to expedite this important flood mitigation project (to be reimbursed with the grant).
- SHPO also agreed with an expedited effort with reporting to be received later on for full compliance.
- It is important to note that Flagstaff as a Certified Local Government can play a part in Federal Compliance with 106 that looks favorably on local concerns that compliance with the intent of the National Historic Preservation Act will take place.



Historic Preservation

Phase I Cleo Murdoch Neighborhood Park Early Concepts



The Murdoch Center, in conjunction with a Community Development Block Grant (CDBG), is working to create a park around the Center consistent with the South Side Plan. Historic Preservation has been working on outreach for the design to keep with the Southside character overlay. The graphic above shows an initial landscape concept for Phase 1 of the plan.

The plan shows that the existing mega chess board will be kept along with the building housing the chess pieces. This area will be expanded to include tables with regular sized chess board. The current pocket park on the west side is shown with a reduction in shrubs effectively doubling the available park area.

Dark sky compliant lighting will be added to enhance security to the area. The concept presents opportunities for public art and ethnic history interpretation. A new concrete path is planned for ADA access to the site.

Phase 2 and future expansion will be incorporating a space along Butler Ave, currently used for parking, to create a public plaza with the possibility of an outdoor stage.



Planning & Zoning Commission

The Planning and Zoning Commission had a variety of items presented for their consideration in 2022.

8 preliminary Plats were heard and forwarded on to the City Council.

4 Conditional use permit requests were heard, ranging from a wholesale food store which will be open to the public to a new wireless communications antenna.

There were 2 Concept Zoning Map Amendments presented, most notable was one which would change 299.68 acres across 10 parcels on McMillan Mesa from Rural Residential, Public Facilities, and Research and Development zones with a Resource Protection Overlay (RPO), to the Public Open Space zone with a RPO.

The Commission considered 6 Zoning Code Text Amendments, including extending the hours of operation for marijuana dispensaries .

Square Peg Development and Northern Arizona Healthcare requested Minor Flagstaff Regional Plan 2030 amendments.

Agenda and Minutes of the Flagstaff Planning and Zoning Commission can be found here - [Agenda - View Meetings \(flagstaffaz.gov\)](#)



Community Development Year End Report for 2022



Community Development @ City Council

January

Approved annexing approximately 10.05 acres of land located at 7000 North Highway 89

Final Plat approval for Canyon Del Rio, located at 3200 E Butler Avenue, a 50 lot single-family subdivision on 13.34 acres in the Single-family Residential (R1) Zone.

Final Plat approval for Canyon Del Rio, located at 3200 E Butler Avenue, a 50 lot single-family townhome subdivision on 9.03 acres in the Medium Density Residential (MR) Zone.

February

Preliminary Plat approval for Fimbrez Estates located at 1300 W Lower Coconino Avenue, a six-lot, single-family subdivision on 10.04 acres in the Estate Residential (ER) Zone within the Resource Protection Overlay (RPO).

Approval was given to an Agreement for Option to Lease City-owned real estate located at 1700 East Sixth Avenue for the purpose of developing permanently affordable housing. This project would utilize City-owned property to construct 11 3-bedroom apartment units, contributing to the overall goal of the housing plan to reduce the current affordable need in our community by half over the next ten years through unit creation or subsidization for at least 6,000 low-to-moderate Flagstaff residents.

Flagstaff's 10-Year Housing Plan was approved. The plan was developed in response to the City's declared Housing Emergency.

Approval of amendments to the Zoning Code to modify the existing Residential Sustainable Building Standards.

Amending the Flagstaff Zoning Map to rezone approximately 299.68 acres of real property generally located at 1900 North Gemini Drive (McMillan Mesa), from the Rural Residential (RR), Public Facility (PF), and Research and Development (RD) zones with a Resource Protection Overlay (RPO) to the Public Open Space (POS) zone with a Resource Protection Overlay (RPO)

March

Approval of the Final Plat for Beaver Street Condos, an 8-unit residential condominium subdivision located at 613 North Beaver Street on 0.33 acres in the T4N.1 (Transect) Zone.

Amending the Flagstaff Zoning Map to rezone approximately 13.49 acres of real property generally located at 5531 East Cortland Boulevard, from the Highway Commercial (HC), Light Industrial-Open (LI-O), and Research and Development (RD) zones to the High Density Residential (HR). In addition authorization was given for the execution of a development agreement between the City of Flagstaff and Miramonte Holdings, LLC, for The Lofts at Continental, 139 dwelling units with 14 designated as affordable housing units. These units will be for households earning up to 80% of the Average Median Income (AMI), as defined by the Department of Housing and Urban Development.

Community Development Year End Report for 2022



Community Development @ City Council

April

Final Plat approval of a 2-lot subdivision, at 6275 N Rain Valley Rd, on an existing 10-acre parcel in the Rural Residential (RR) zone.

Modifications to property development standards for an affordable housing development located at 320 N Humphreys Street requested by Foundation for Senior Living was approved as presented.

May

Approval of Preliminary Plat for Ghost Tree at Pine Canyon located at 3201 South Clubhouse Circle, a 12-unit single-family home subdivision on 7.87 acres in the Single-Family Residential (R1) Zone

Approval of Preliminary Plat for Woodshire on Oak Condominiums located at 302 W Oak Avenue, a 13-unit condominium subdivision on 0.89 acres in the Medium Density Residential (MR) and High Density Residential (HR) Zones.

Approval of Preliminary Plat for Aries at Timber Sky Phase II located at 3501 E Route 66, a 16-lot single-family subdivision on 6.59 acres in the Single-Family Residential (R1) Zone.

Approval to amend the Flagstaff Regional Plan 2030 to change the area type designation of approximately 24.75 acres from State Land to Employment area type, generally located at 2661 N El Paso Flagstaff Road. In addition, amending the Flagstaff Zoning Map to rezone approximately 7.29 acres of real property, from the Highway Commercial (HC) zone with a Resource Protection Overlay (RPO) to the Heavy Industrial Open (HI-O) Zone with a Resource Protection Overlay (RPO) and allowing a Variance from the minimum screening requirements and the minimum landscape requirements for a proposed Composting Facility.

Approval to amend the Flagstaff City Code, Division 10-20.40: Permits and Approvals, Section 10-20.40.060: Development Agreement adding subsection E. Notification Requirements for a Development Agreement.

Authorization was given to execute a Development Agreement between the City of Flagstaff and Flagland LLC for Flagstaff Rehab Campus related to the development of approximately 12.19 acres of real property generally located at 7000 North Highway 89.

Community Development Year End Report for 2022



Community Development @ City Council

June

Authorization was given to execute a Development Agreement between VP66 & Woody Mountain, LLC and the City of Flagstaff related to the development of approximately 197.58 acres of real property generally located at 3425 W Route 66 known as Timber Sky. This 4th amendment increases the affordable rental units from 100 to 190 and no less than 3 acres will be donated to Habitat For Humanity to develop no less than 40 permanently affordable homes through the City Community Land Trust program.

July

Final Plat approved for Aries at Timber Sky Phase II located at 3501 E Route 66, a 16- unit single-family subdivision on 6.59 acres in the Single-Family Residential (R1) Zone, and Woodshire on Oak Condominiums located at 302 W Oak Avenue, a 13- unit condominium subdivision on 0.89 acres in the Medium Density Residential (MR) and High Density (HR) Zones.

Approval of Preliminary Plat, for Rio Homes Unit 4, a 6-unit multi-family residential townhome subdivision (PZ-19-00019-07). The 5.1-acre site is located at 1221 East Emma Drive in the MR, Medium Density Residential Zone, and has a Resource Protection Overlay (RPO).

Approval was given to a Lease of City-Owned Property located at 203 E. Brannen known as the Murdoch Community Center to Southside Community Assoc.

August

Approval of Preliminary Plat, for Sirius at Timber Sky - Block 4 located at 3191 McAllister Ranch Road, a 63 lot single-family subdivision on 21.82 acres in the Single-Family Residential (R1) Zone.

September

City Council approved amending the Flagstaff Zoning Code, Division 10-40.60: Specific to Uses, Section 10-40.60.220 Marijuana Establishments Subsection C. Hours of Operation for Marijuana Dispensaries, allowing hours of operation to extend to 10:00PM..

Approval to adopt an ordinance amending the Flagstaff City Code, Title 11, General Plans and Subdivision, Division 11-10.20: Additional Procedures for Comprehensive Plan Updates, New Elements, and Major Amendments to the General Plan. This resolves a conflict with the requirements for public participation procedures within Flagstaff City Code, Title 11 and Flagstaff City Code, Title 10.

Community Development Year End Report for 2022



Community Development @ City Council

October

Preliminary Plat approval for Adora - Phase 2 at Timber Sky located at 2760 S Vega Street, a 39 lot single-family subdivision on 7.15 acres in the Medium-Density Residential (MR) Zone.

Adoption of a Resolution, amending the Flagstaff Regional Plan 2030 by amending Chapter X and Glossary to address Active Transportation. This provides additional descriptions of terms used in goals, policies, and maps. Will replace Map 26 with five maps that provide more detail on existing and planned pedestrian and bicycle systems in the city.

Approval of Flagstaff Regional Plan Update Contract for Scenario Planning and Associated Public Participation Services with Cascadia Partners.

November

Approval of the Final Condominium Plat for Rio Homes Unit 4, a 40-unit multi-family residential condominium subdivision. The 3.71-acre site is located at 1221 E. Emma Drive in the MR, Medium Density Residential Zone, and has a Resource Protection Overlay (RPO).

Approval of the Final Plat for Rio Homes Unit 4 Multi-Family, a 6-unit multi-family residential townhome subdivision. The 5.1-acre site is located at 1221 East Emma Drive in the MR, Medium Density Residential Zone, and has a Resource Protection Overlay (RPO).

Approval to Adopt an ordinance amending the Flagstaff City Code, Title 10, Flagstaff Zoning Code, Section 10-90.40.030 Rural Floodplain Map, to change the map designation of approximately 7.76 acres of real property from Rural Floodplain to Urban Floodplain

Adoption of a resolution and ordinance, amending the Flagstaff City Code, Title 10, Flagstaff Zoning Code, to modify the existing Outdoor Lighting Standards.

December

Final Plat approval for Club Cabin Condominiums Unit 2 at the Estates at Pine Canyon Unit 1—a three-unit residential condominium subdivision on 10.88 acres at 3000 S. Clubhouse Circle.

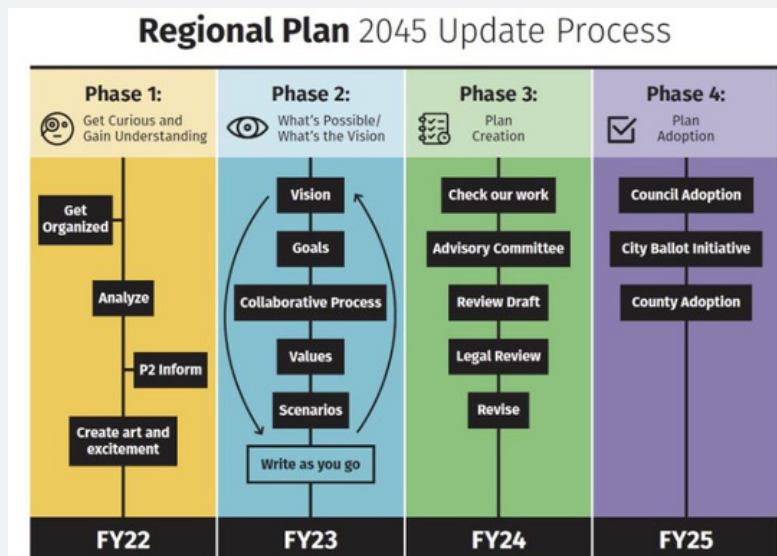
Approval to adopt a resolution, amending the Flagstaff Regional Plan 2030 to change the place type designation within a future suburban activity center (S16) from neighborhood scale to regional scale ; move the center point of a future suburban activity center (S16) north and east ; change the area type designation from existing Rural/Future Suburban to Existing Employment for approximately 28 acres; and realign a future circulation road corridor generally located at 1120 W Purple Sage Trail, for Northern AZ Healthcare (HAH).

City Council Agendas/Minutes/Videos can be found here - [Agenda - View Meetings \(flagstaffaz.gov\)](https://www.flagstaffaz.gov/agenda)

2045 Regional Plan

Flagstaff Regional Plan Update

The Flagstaff Regional Plan outreach began in the Fall of 2021. In 2022, Phase 1 and Phase 2 activities were completed. Phase 1 invited the public to engage the process with curiosity, imagination and hope. The goal is to inform the public about the process, its meaning and to solicit feedback on the qualities values and challenges that should be addressed in the plan update. The objective of Phase 2's engagements will be to identify critical success factors that the project will need to address and to get conceptual feedback on anticipated trade-offs and decision points.



In 2022, the project team created public participation opportunities through:

- Launching the Regional Plan project website at www.flagstaff.az.gov/regionalplan
- Producing 24 snapshot videos and 14 reports (so far)
- 12 Community events
- Youth outreach with Flagstaff High and Northland Youth Shelter
- Strengths, Weakness, Opportunities and Threats (SWOT) Analysis with Boards and Commissions
- 11 Visioning Workshop where Over 150 community members attended and participated in four activities: Community Asset Mapping, Card Storming Vision Statements, Dotmocracy – Critical Questions and Trade-offs, Talk with your neighbor/Art Boxes
- Hiring Scenario Planning Consultant
- Recruiting Technical Advisory Group

Community Development

End of Year for 2022



Real Estate in 2022

City Council approved a cooperative Purchase Contract for Real Estate Appraisal Valuations with Appraisal Technology, LLC for appraisals of property acquisitions necessary for the Milton Road and University Avenue Right of Way project.

City Council authorized the acquisition of real property and the determination and offers of relocation benefits to persons displaced to make way for the Fourth Street/Cedar Avenue/Lockett Road roundabout project, slated to begin construction in 2024.

The acquisition of real property for the Red Gap Ranch Pipeline project was approved by the City Council.

Acceptance of a donation of 0.29 acres of vacant land along the west side of Switzer Canyon Drive, parcel no. 101-29-050 (Tract E).

City Council approved the authorization the acquisition of real property from the BNSF Railway Company and a contract for a Real Estate Purchase and Sale Agreement with BNSF Railway Company to purchase approximately 2,614 square feet of real property. This purchase unifies the property on which the Downtown Connection Center will be located.

Approval was given to adopt an ordinance, abandoning approximately 5,237 square feet of public right-of-way at the northwest corner of Fountaine Street and Hoskins Avenue.

City Council adopted a resolution approving the filing of condemnation proceedings to acquire easements necessary for the Switzer Canyon Water Transmission Main project.

Council Approved a contract amendment to the cooperative Purchase Contract for Real Estate Appraisal Valuations with Landpro Valuation, LLC for additional work and cost in the amount of \$14,000 related to property acquisitions for the Switzer Canyon Water Transmission Main Phase IV Project and a future trail connection.





Housing Section



The community showed strong support for housing in Flagstaff with the passing of Proposition 442, which will help create more affordable rental and homeownership opportunities in Flagstaff.

The 10 - Year Housing Plan was adopted by City Council early in 2022. The Plan was created in response to the Council declared Housing Emergency and recognizing the need for a single, comprehensive community-facing document summarizing the City's immediate, short-term and long-term needs and strategies to improve housing affordability. Link to the 10-Year Housing Plan - [Create connect preserve.protectT.\(az.gov\)](#).

To view the report of the progress for the 10-Year Housing plan during 2022 click here - [10YHP-2022-Progress-Report---FINAL.\(az.gov\)](#).

The 2021 Community Development Block Grant(CDBG) Program Year (utilized in 2022) helped to support the following programs:

Eviction prevention for 39 households

A paid apprenticeship program to 3 survivors of domestic violence learning professional textile and sewing skills Support services for 72 youth experiencing homelessness working to obtain their diploma

5 new transitional housing units for victims of domestic violence

Hotel rooms and shelter services for over 1,000 individuals experiencing homelessness

To see the full year in review for Housing in Flagstaff click the link:

<https://www.flagstaff.az.gov/DocumentCenter/View/74895/City-of-Flagstaff-Housing-Section-2022-Year-in-Review>





Building Safety

Building Safety managed through numerous vacancies throughout the year. The department worked diligently, along with the support of Community Development staff, to ensure that plans were reviewed and permits issued to the community without delay.

Building Safety welcomed the additions of Brian Cook and Phillip Clark as Plans Reviewers, along with the new Permit Technician Stefani Brown.

Building Safety is currently recruiting two Building Inspectors, a Plans Reviewer, and a Code Compliance I Officer .

Current job listings can be found here - [Job Opportunities | Sorted by Job Title ascending | . \(governmentjobs.com\)](#)





Building Safety End of Year Statistics 2023

BUILDING SAFETY BY THE NUMBERS 2022

Total Permits Issued – 2,487

107

SINGLE FAMILY DWELLING PERMITS ISSUED (ALL TYPES)



45

ACCESSORY DWELLING UNIT (ADU) PERMITS ISSUED



168

COMMERCIAL BUILDING PERMITS ISSUED



452

REMODEL/ADDITION/T.I. PERMITS ISSUED



353

PHOTOVOLTAIC PERMITS ISSUED



2,402

PLAN REVIEWS COMPLETED



14,280

BUILDING INSPECTIONS PERFORMED



Total Construction Valuation - \$240,529,009

Community Development

End of Year for 2022



Code Compliance in 2022

Complaint	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	
Staff Driven Complaint	108	99	170	68	116	172	147	163	121	77	99	109	
Citizen Driven Complaint	14	22	36	16	23	34	27	16	18	7	21	9	
New Cases	122	121	206	84	139	206	174	179	139	84	120	118	
Case Status													
Open Cases (of total new cases above)	13	12	30	27	32	36	20	32	18	14	30	58	
Closed Cases (of total new cases above)	109	109	176	57	107	170	154	147	121	70	90	60	

Violation Type	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Year End Totals
Abandoned/Junked Vehicles	0	0	4	1	7	2	1	10	5	2	9	1	42
Accessory Dwelling Unit	0	0	0	0	0	0	0	0	0	0	0	0	0
Building Regulations	0	0	0	0	0	1	0	0	0	0	1	0	2
Camping on Public Property within City Limits	1	1	0	1	2	1	0	1	2	0	0	1	10
Collection/Disposal Practices	6	6	16	10	8	15	6	8	21	6	8	6	116
Commercial Work on Motor Vehicles	0	0	0	0	0	0	0	0	0	0	0	0	0
Displaying Vehicles for Sale of Private Property	3	2	1	0	0	0	0	4	4	0	0	0	14
Failure to Remove Snow/Obstructions from Sidewalk & Deposit of Snow in ROW/Hedges over Sidewalk	27	40	70	11	2	17	11	13	13	7	14	66	291
Failure to Meet Landscape Standards	0	0	0	0	1	0	0	0	0	0	0	0	1
Failure to Meet Outdoor Lighting Standards	1	6	9	5	2	6	1	0	2	1	3	0	36
Failure to Meet Parking Standards/General Parking Standards	0	1	15	1	2	1	2	1	1	1	0	0	25
Failure to Meet Resource Protection Standards	0	0	0	0	0	2	0	1	0	0	0	0	3
General Restrictions/Requirements for all Signs, Failure to Meet Temporary Sign Standards	3	8	0	3	23	69	65	27	15	22	23	10	268
Failure to Meet Building from Standards/Setbacks	0	0	0	0	0	0	0	0	0	0	0	0	0
Failure to Comply with Transect Zone Standards	0	0	0	0	0	0	0	0	0	0	0	0	0
General Rules & Standards (Solid Fuel Burning Devices)	0	0	0	0	0	0	1	0	0	0	0	0	1
Graffiti	73	49	77	41	83	85	75	98	69	39	57	29	775
Littering	1	2	1	0	3	0	2	6	3	0	2	2	22
Illegal Use or Activity without Permit	3	3	7	3	0	5	2	7	0	3	1	1	35
Illegal Use in Zone	1	0	0	1	0	1	0	0	1	1	0	0	5
Keeping of Certain Animals	0	1	3	0	0	0	3	0	0	1	0	1	9
Outdoor Feeding & Protection of Wildlife	0	0	0	0	0	0	0	0	0	0	0	0	0
Parking of Commercial Vehicles in Residential Zone	0	0	0	0	0	0	0	0	0	0	0	0	0
Parking of RV's	0	0	0	0	0	0	0	0	0	0	0	1	1
Posting of Handbills on Public/Private Property	0	0	0	0	0	0	0	0	0	0	0	0	0
Specific to Uses	0	0	1	0	0	0	1	2	0	0	0	0	4
Stopping, Standing & Parking Restrictions	0	0	0	0	0	0	0	0	0	0	0	0	0
Storage Containers Temporary/Permanent	0	0	0	0	0	0	0	0	1	0	0	0	1
Storage of Unregistered/Inoperable Vehicles	0	0	0	0	0	0	1	0	1	0	0	0	2
Storing or Placement of Solid Waste	1	0	0	7	0	0	0	0	0	0	0	0	8
Unauthorized Accumulation of Litter on Private Property	1	0	0	0	0	0	1	0	1	0	1	0	4
Uninhabited or Vacant Private Property	0	0	0	0	0	0	1	0	0	0	0	0	1
Violation of Encroachment Standards	0	0	1	0	0	0	0	0	0	0	0	0	1
Violation of Fence/Wall & Scenic Standards	0	0	0	0	0	0	1	0	0	0	0	0	1
Water Conservation	0	0	0	0	1	0	0	1	0	0	0	0	2
Other Misc	1	2	1	0	5	1	0	0	0	1	1	0	12
Total Complaints by Month	122	121	206	84	139	206	174	179	139	84	120	118	1692

Community Development

End of Year for 2022



Dark Sky in 2022

City of Flagstaff/Coconino County Partnership - Dark Sky Compliance Report 2022 Coconino County Specific Cases

Complaint	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec		
Staff Driven Complaint	-	-	0	3	1	0	1	0	0	0	1	0		
Citizen Driven Complaint	-	-	0	0	5	5	2	2	1	1	1	0		
New Cases	-	-	0	0	6	5	3	2	1	1	2	1		
Case Status														
Open Cases (of total new cases above)	-	-	0	2	5	3	3	0	1	0	0	0		
Closed Cases (of total new cases above)	-	-	0	1	0	2	0	2	0	1	2	1		
Closed Cases (from previous months)	-	-	0	1	1	1	2	1	1	0	1	0		
Hours Spent														Year End Totals
Total Hours spent on County Cases*	-	-	0	2	25	30	15	50	64	60	50	20		316
Hours spent on JLUS	-	-	0	2	25	30	15	50	64	60	50	20	316	

Violation	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Year End Totals
Residential Violations	-	-	0	0	4	4	2	2	0	0	1	1	14
Commercial Violations	-	-	0	3	2	1	1	0	1	1	1	0	10
Total Violations by Month	-	-	0	3	6	5	3	2	1	1	2	1	24





CITY ENGINEERING DIVISION

Monthly Projects Report February 2023

Honorable Mayor, Vice Mayor and Council,

The February report was completed by our Project Managers on March 3rd and includes project updates for the month of February.

The attached map is a comprehensive view of the highlighted projects in our community that are assigned to the City Engineering Division, inclusive of projects that are in planning, design, and construction phases.

We have tried to reduce the extent of information provided and focused on only those projects that had substantive progress from previous months or have key milestones to share.

If you would like to receive more information on a specific project, please reach out and we'd be glad to share more detailed information.

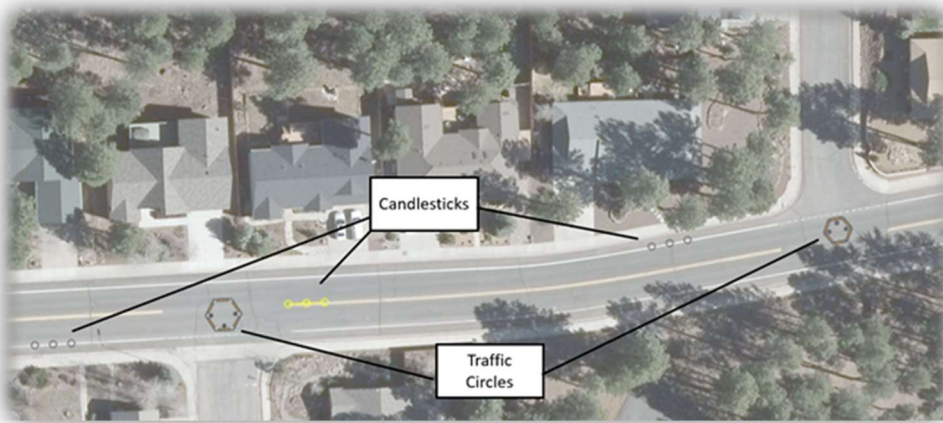
Boulder Point - Traffic Calming (DESIGN PHASE)

FUND: TRANSPORTATION TAX

Description – The Transportation Commission approved the traffic circle concept at the intersections of University Ave/Majestic Rd and University Ave/Tombaugh Way on June 1st, 2022. This design, in temporary form, lowered the 85th percentile speed on University Ave to 27 mph, down from 31 mph. This brings the speeds down to a level that are below the threshold for traffic calming based on the worksheets in the Guidebook for Residential Traffic Management. The final design will address concerns from citizens in the neighborhood regarding the traffic circle design, including vehicles traveling in the bicycle lane and sight distance issues for northbound vehicles on Majestic Rd. This project also includes raised pedestrian crosswalks at the two Woody Way intersections.

Project Update:

- 60% plans have been completed by Woodson Engineering / Ardurra.
- Council and traffic commission have given approval to continue to final design after an additional evaluation in February 2023.



W University Ave Traffic Circles

Fremont Blvd Restriping (DESIGN PHASE)

FUND: TRANSPORTATION TAX

Description – The Transportation Commission approved investigating traffic calming measures on Fremont Blvd on February 2nd 2022. Staff determined that restriping the road from two lanes in each direction to one lane in each direction with additional parking and bike buffers was an appropriate solution. The new draft cross section can be seen below. Citizens have recently requested a review of the striping proposal, that discussion will occur at the December 7th Transportation Commission meeting.

After the Transportation Commission on December 7th the Commission decided to not go forward with the new striping plan and instead directed staff to conduct a neighborhood walkthrough as soon as weather permits to understand the concerns of the citizens.



Proposed Fremont Blvd New Striping Configuration

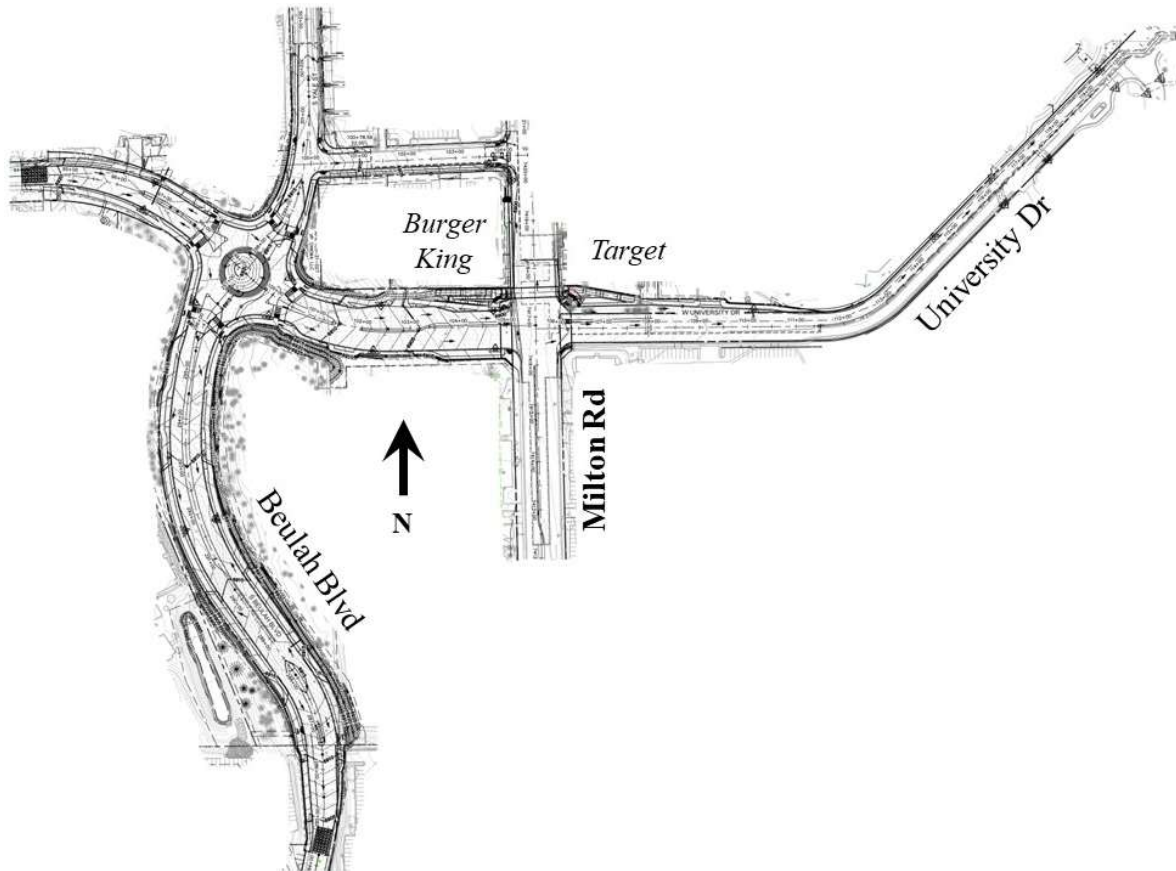
Beulah Boulevard Extension/University Drive Realignment (CONSTRUCTION PHASE)

FUND: TRANSPORTATION TAX (STREETS)

Description – This roadway improvement project extends the northern terminus of Beulah Boulevard to connect with University Avenue. Furthermore, University Avenue (west of Milton) will be realigned to match up with University Drive (east of Milton). A new roundabout will be constructed where Beulah Boulevard and University Avenue will intersect. Additionally, this project will also be constructing a new pedestrian underpass beneath Milton Road, just south of Burger King across to Target. Construction is expected to begin in April 2023 and conclude in late summer 2025.

Project Update:

- Shephard-Wesnitzer, Inc. (SWI) is the design engineer.
- Eagle Mountain Construction (EMC) is the CMAR (Construction Manager at Risk) contractor.
- Open House for our community was held on 2 March here at City Hall.
- Real estate acquisitions are underway for right-of-way and easements.
- Design plans are undergoing the final touches prior to completion.
- Construction will begin in late March.



Extent map of new Beulah and University Roadway Project – taken from final plans.

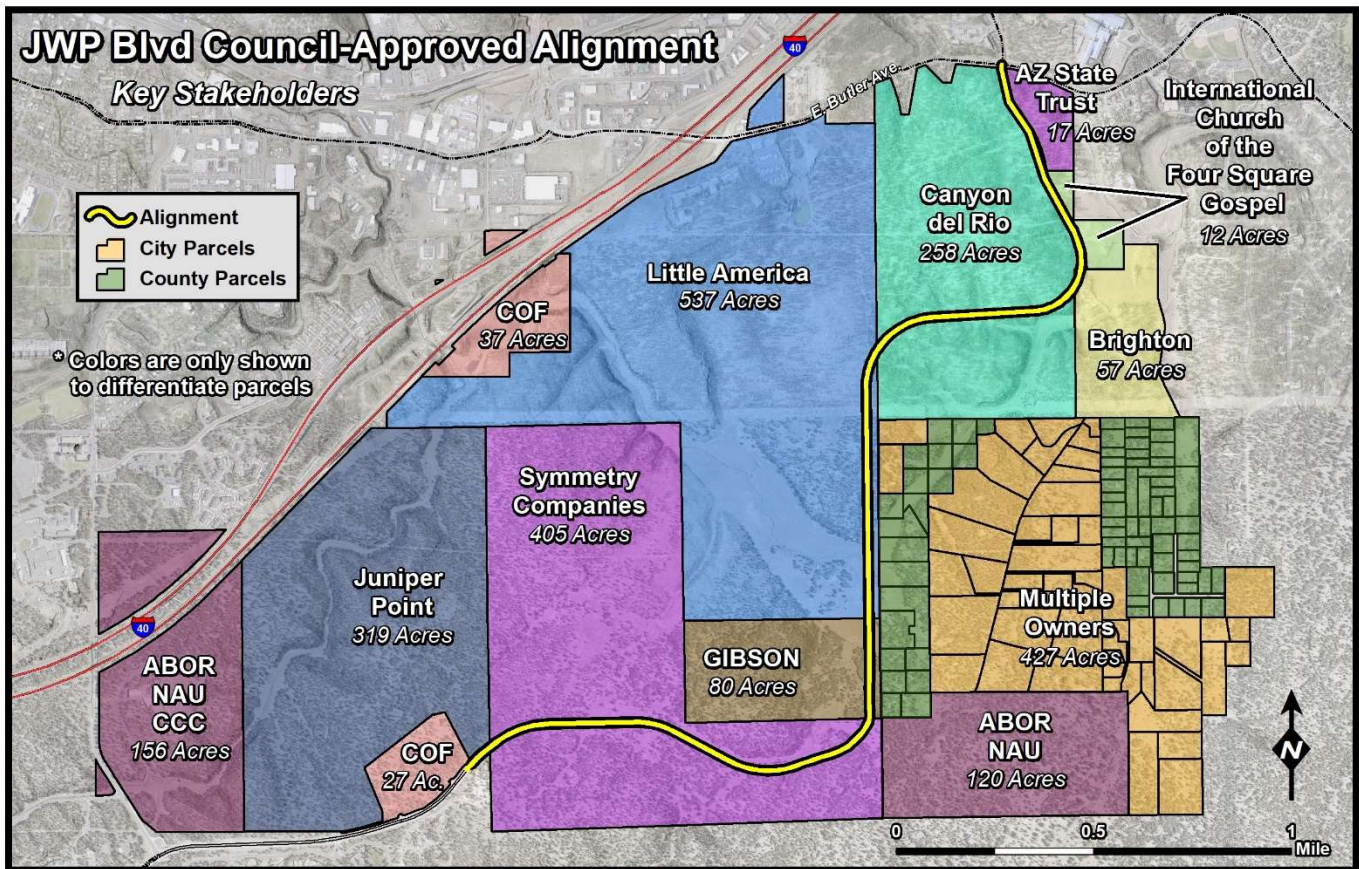
J.W. Powell Specific Plan Study (PLANNING PHASE)

FUND: GENERAL GOVERNMENT & TRANSPORTATION TAX

Description – The purpose of the John Wesley Powell Specific Plan Study (Study) is to develop a specific plan to guide the future private development of public infrastructure, utilities, and facilities. Phase 1 of the project is the conceptual design of the future public infrastructure (roads), public utilities and facilities location analysis. The conceptual design is required to meet the full City infrastructure standards including street improvements, potable water, sanitary sewer mains, storm drain systems, street lighting and associated appurtenances. Phase 1 of the Study includes a sanitary sewer system master plan for the area. A water system master plan was previously developed for the area. Phase 2 of the Study is development of the planning elements necessary to gain City Council approval of a Specific Plan.

Project Update:

- City Staff is working with Peak Engineering and their subconsultant, Swaback, to scope Change Order 5. This Change Order will come to Council in early April and the scope of work will be the Specific Plan.
- The Specific Plan will take approximately one year to complete after which time the design will finalize with construction following thereafter.



Council-Approved alignment of new J.W. Powell Boulevard and Fourth Street; denoted by yellow line

Coconino Estates Improvements Phase I (CONSTRUCTION PHASE)

FUND: ROAD REPAIR & STREET SAFETY

Description – This is a utility and roadway improvements project located in the Coconino Estates neighborhood on Beal Road from Rockridge to Fort Valley, Navajo Drive from Navajo Road to Murray, Whipple Road from Navajo Drive to McMillan, and Navajo Road from Navajo Drive to Fort Valley. Improvements on the streets generally consist of replacing existing infrastructure with new, including water and sewer mains, water and sewer services, fire hydrants, storm drains, streetlights, the entire asphalt roadway, and defective select edge improvements (curb & gutter, sidewalk, etc.), except for Whipple Road which will only receive a new water main. There will also be new infrastructure added consisting of underground electric lines for streetlighting and sidewalk on both sides of the street where it does not currently exist on Beal Road, Navajo Drive south of Beal, and on Navajo Road. For additional information visit the Project website at www.coconinoestates.com.

Contractor – Eagle Mountain Construction

Project Update :

Navajo Road and Navajo Drive south of Beal (Construction Zones #1 and #2)

- Utility and roadway improvements are complete including landscape restorations.
- Navajo Road and Navajo Drive south of Beal are open to all traffic.

Beal Road east of Rio de Flag (Construction Zone #3)

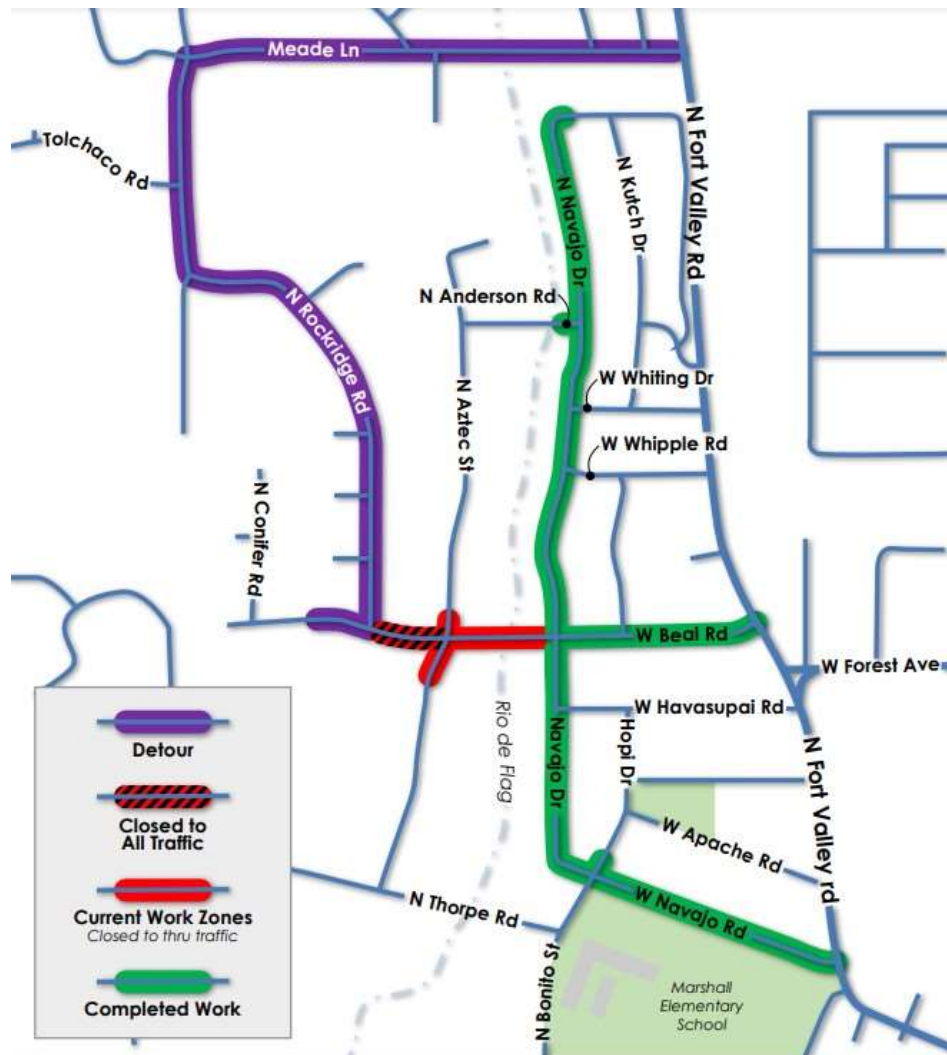
- Utility and roadway improvements are complete including landscape restorations.
- Minor striping improvements will be corrected at a later date.
- Beal is currently closed from Aztec to Navajo for construction activities in Zone #5.

Navajo Drive north of Beal (Construction Zone #4)

- Utility and roadway improvements are complete including landscape restorations.
- Navajo Drive north of Beal is open to all traffic.

Beal Road west of Rio de Flag (Construction Zone #5)

- Sewer main and sewer service installations are complete from the Rio de Flag working west.
- Water main installation is complete within the Beal Road and Aztec Street intersection.
- The installation of new water main and services along Beal Road, from Aztec Street to just west of Rockridge Road, will continue.
- Due to rock excavation, the closure of Beal Road, between Aztec Street and Rockridge Road, will be extended until early 2023.
- Beal from Aztec to Navajo, is closed to thru traffic with access for residents only. Access to Aztec and Anderson properties on the north side of the Beal and Aztec intersection will be maintained through the Beal and Aztec intersection.



Project Map with current road closures and detours

Coconino Estates Improvements Phase II (CONSTRUCTION PHASE)

FUND: ROAD REPAIR & STREET SAFETY & AGING WATER AND SEWER INFRASTRUCTURE REPLACEMENT PROGRAMS

Description - This is a utility and roadway improvements project located on several streets in the Coconino Estates neighborhood as seen in the map below. Improvements on the streets generally consist of replacing all existing utility and roadway infrastructure. The utility improvements include replacing the existing water and sewer mains, water and sewer services, fire hydrants, and manholes. The roadway improvements include replacing the existing asphalt roadway, replacing rolled curb with vertical curb, constructing driveway ramps at driveway entrances, and replacing select sidewalk only where it currently exists on Crescent Ln Drive. Sidewalk will NOT be installed where it does not currently exist. For additional information visit the Project website at www.coconinoestates.com

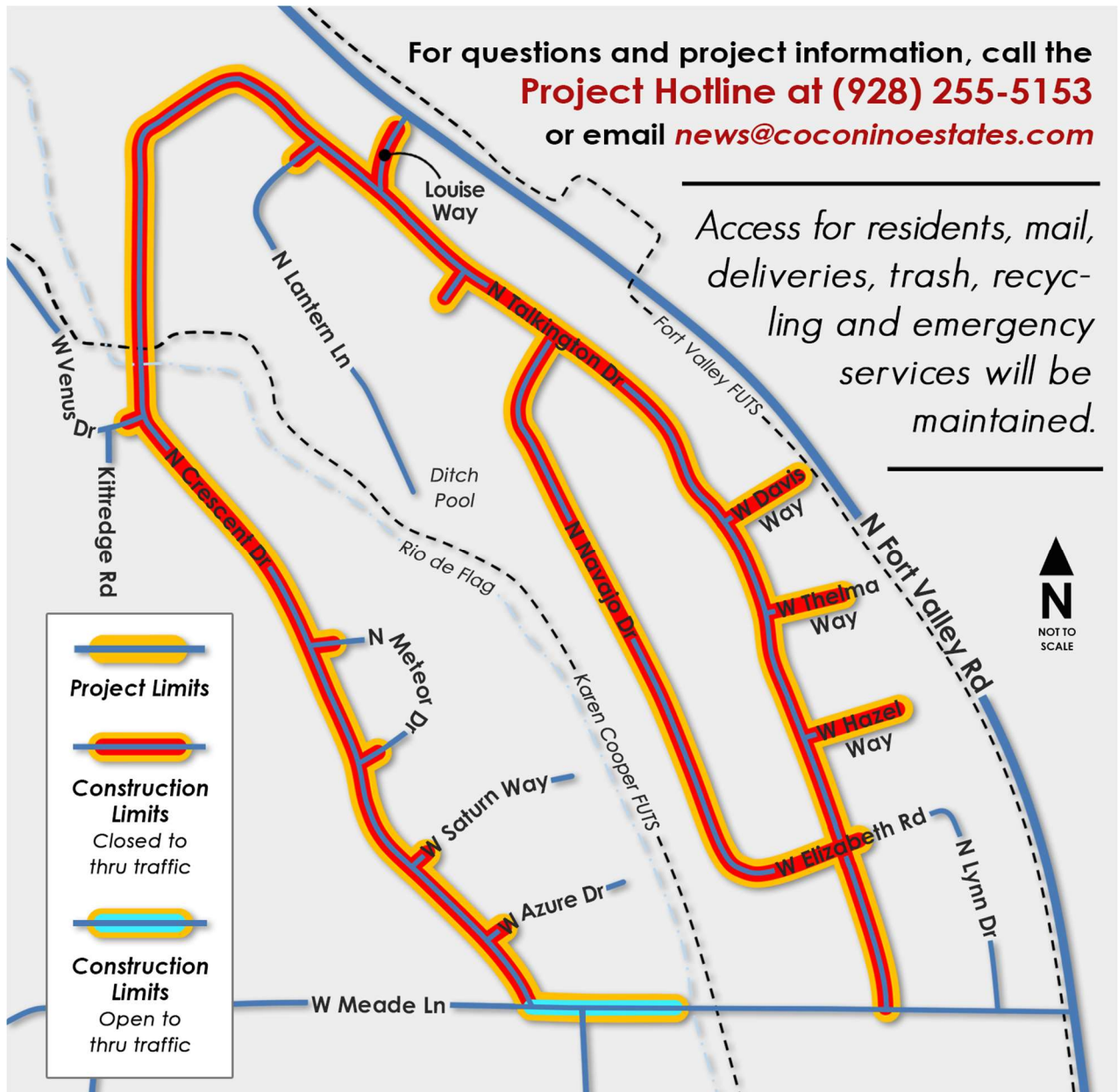
Contractor – Standard Construction Company

Project Update:

- Entire project is currently under a Winter Shut down until spring 2023. When the project resumes, landscaping restoration, manhole testing, and minor adjustments will be performed.

For questions and project information, call the
Project Hotline at (928) 255-5153
or email news@coconinoestates.com

Access for residents, mail,
deliveries, trash, recycling
and emergency
services will be
maintained.



Coconino Estates Improvements Phase II Project Map

Flagstaff Downtown Mile Safety and Connectivity Improvement Project (PLANNING AND DESIGN PHASE)

FUND: TRANSPORTATION, STORMWATER, AGING INFRASTRUCTURE, BNSF RAILWAY, METROPLAN, GRANTS

Description – The Downtown Mile Project consists of a group of City and local agency projects located in Downtown Flagstaff and surrounding the BNSF Railway corridor. They include:

- The Rio de Flag Flood Control Project
- The Rio de Flag Pedestrian Tunnel
- The Lone Tree Overpass
- The Florence to Walnut Pedestrian Underpass
- The Milton Bridge Reconstruction
- The Mountain Line Downtown Connection Center (DCC)



The City has partnered with ADOT, BNSF Railway, Mountain Line, Amtrak, and the Army Corps of Engineers for the overall Downtown Mile Project to design and construct roadway, bridge, bike/pedestrian, and railroad improvements for the Flagstaff community.

In May 2022, the City applied for a Multimodal Program Discretionary Grant through the USDOT INFRA/Rural program for the Downtown Mile Safety and Connectivity Improvement Project to fund construction of the suite of projects, including a BNSF Railway corridor realignment and expansion. This grant will also facilitate completion of our Rio de Flag flood Control Project and integrate pedestrian and rail improvements with the Lone Tree Overpass Project and the future Mountain Line Downtown Connection Center.

The total project cost is estimated at \$56M and the amount of federal funding requested is \$32.5M (60%). The non-federal match (40%) is being provided from the City of Flagstaff in the amount of \$12.8M, which is funded through Proposition 419 partnership funding and allocated Transportation and Stormwater funding, and BNSF Railway is contributing \$11M in private funds. BNSF also provided expert consultant services in order to make this grant application possible.

Project Update:

- The City was notified on September 28 that we were awarded the USDOT INFRA grant.
- The Design Phase Services Contract was approved by City Council on October 18.
- On October 7, Congressmen Tom O’Halleran and Ruben Gallego, Dr. Coral Evans from Senator Mark Kelly’s office, and representatives from Mountain Line and MetroPlan met with Mayor Paul Deasy, Councilmembers Khara House and Adam Shimoni and City staff to discuss the award of the INFRA grant and celebrate this event for the Flagstaff community.
- Legal and Grants Management staff coordinated development of the IGA with MetroPlan to execute receipt of a \$490,000 funding contribution that was approved for the project planning and design effort. This IGA was approved by City Council on October 18.
- On October 27, City staff met with BNSF and AMTRAK for development of a CRISI grant application between the City and BNSF to fund additional rail and AMTRAK improvements for the Flagstaff Station.

The current updates for the projects included in the Downtown Mile are as follows:

Rio de Flag Flood Control Project (Design Phase)

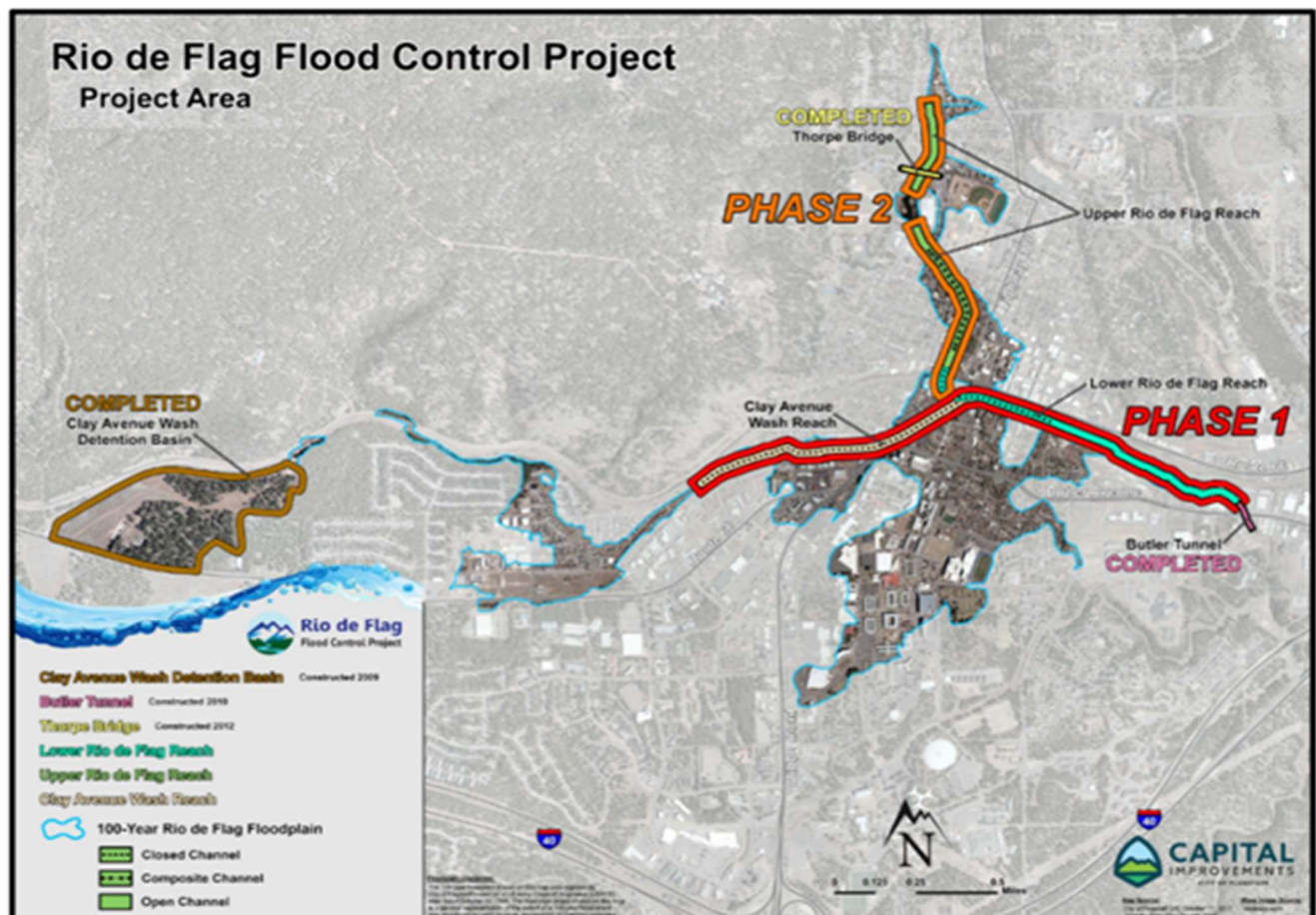
FUND: STORMWATER & AGING INFRASTRUCTURE

Description – Design consists of channel improvements along both the Rio de Flag and Clay Avenue Wash channels through central Flagstaff and includes a combination of underground concrete box culverts, open channel, and composite channel. The composite channel section has both an underground culvert to carry large volumes of water and a smaller open channel on top, which will provide an aesthetic element of flowing surface water during rainfall events. Total project length is approximately 15,000 feet.

The purpose of the Rio de Flag Flood Control Project is to remove the hazards associated with the hundred-year storm event, which include property damage, life safety concerns, and community economic impacts. From research conducted by the Army Corps, it was determined that a significant flood would damage approximately 1,500 structures valued at over \$916M and cause \$93M in economic damages, for a total impact of over \$1B.

Project Update:

- Work continues on refinement of the design plans and the real estate documents.
- Property appraisals are being conducted to prepare for offers.
- Additional Real Estate Services Consultants are being brought on board to support acquisition needs and project timelines.
- The draft BNSF Construction and Maintenance Agreement is under review with City and Army Corps legal staff.
- The project continues work to coordinate construction phasing and develop traffic control plans for the Butler-Milton-Clay-Mike's Pike Intersection with ADOT and the Army Corps



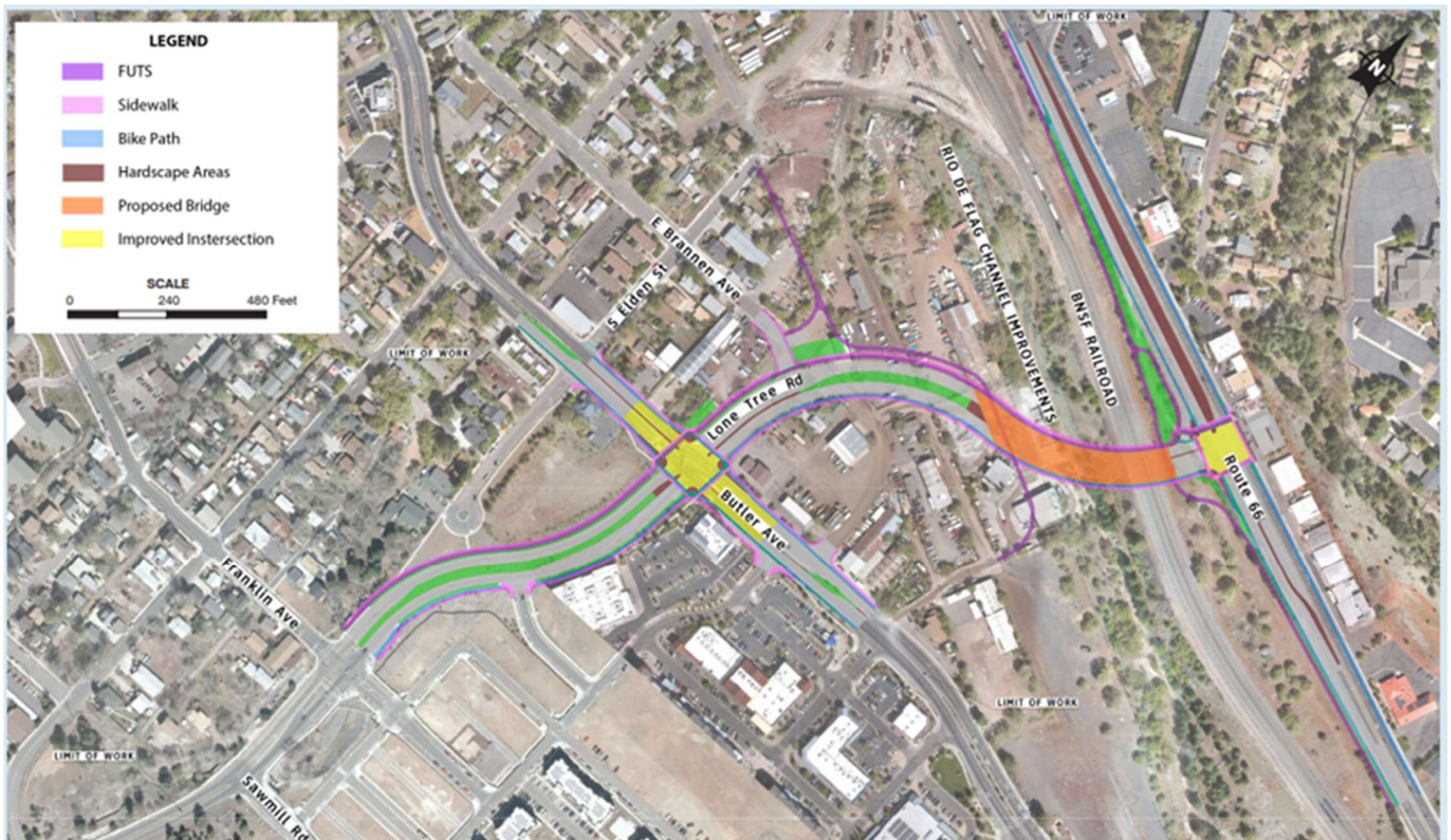
Lone Tree Overpass Project (DESIGN PHASE)

FUND: TRANSPORTATION

Description – The Lone Tree Overpass Project will provide a grade-separated crossing over the future Rio de Flag drainage and the BNSF Railway corridor from Butler Avenue to Route 66. Funding for this project is provided through voter approved bonds as designated in the 2018 Proposition 420. The project will also include improvements from Butler south to Sawmill Road, which will be funded by Proposition 419. The project will be delivered via the Design-Build process and the team includes Ames as the contractor and WSP as the prime design consultant.

Project Update:

- The 60% preliminary design plans were submitted to the City, ADOT, Mountain Line, and US Army Corps of Engineers for review.
- Work continued between BPAC and the Public Art Focus Group on development of the aesthetic and public art components for the bridge improvements.
- Consideration and Approval of Amendment #3, Construction Services Agreement with Ames Construction for the Lone Tree Overpass Project was presented to Council on February 21, 2023.
- Additional information is posted on the project website. [Lone Tree Overpass Project](#)



Library Entrance (CONSTRUCTION PHASE)

FUND: BBB - BEAUTIFICATION

Description – Project to bring Library Entrance into ADA compliance with new handicap ramp and new overall vision for the entrance. Public art will be incorporated into project and an artist is being brought onto the design team. Project includes upgrades to landscaping, handicap-accessible parking, parking lot, and hardscape.

Project Update:

- The project is currently underway and has established a temporary alternate Library Entrance that will be utilized throughout construction. The main Library entrance remains closed.
- The Library is currently in a winter shutdown. The contractor is still on site, making progress as possible between storm events.
- Project completion is expected in May.



Library Entrance Project-Rendering of selected concept plan

LMWTP Flocculation and Sediment Basin Rehabilitation (CONSTRUCTION PHASE)

FUND: DRINKING WATER

Description – The flocculation and sedimentation basin structures and equipment that have been in operation for approximately 60 years are in deteriorated condition and require replacement and rehabilitation. The project consists of constructing a new static mixer installation, rehabilitation of the flocculation/sedimentation basin structures, replacement of electrical systems, and replacement of miscellaneous valves and piping.

Project Update :

- Staff is currently working on a CMAR solicitation and grant funding for this project.
- Due to long material lead times, the first year of the contract will be used for procurement needs and construction will commence for the two following years, 2024 and 2025.



Staff and Brown & Caldwell taking a tour of the LMWTP basins

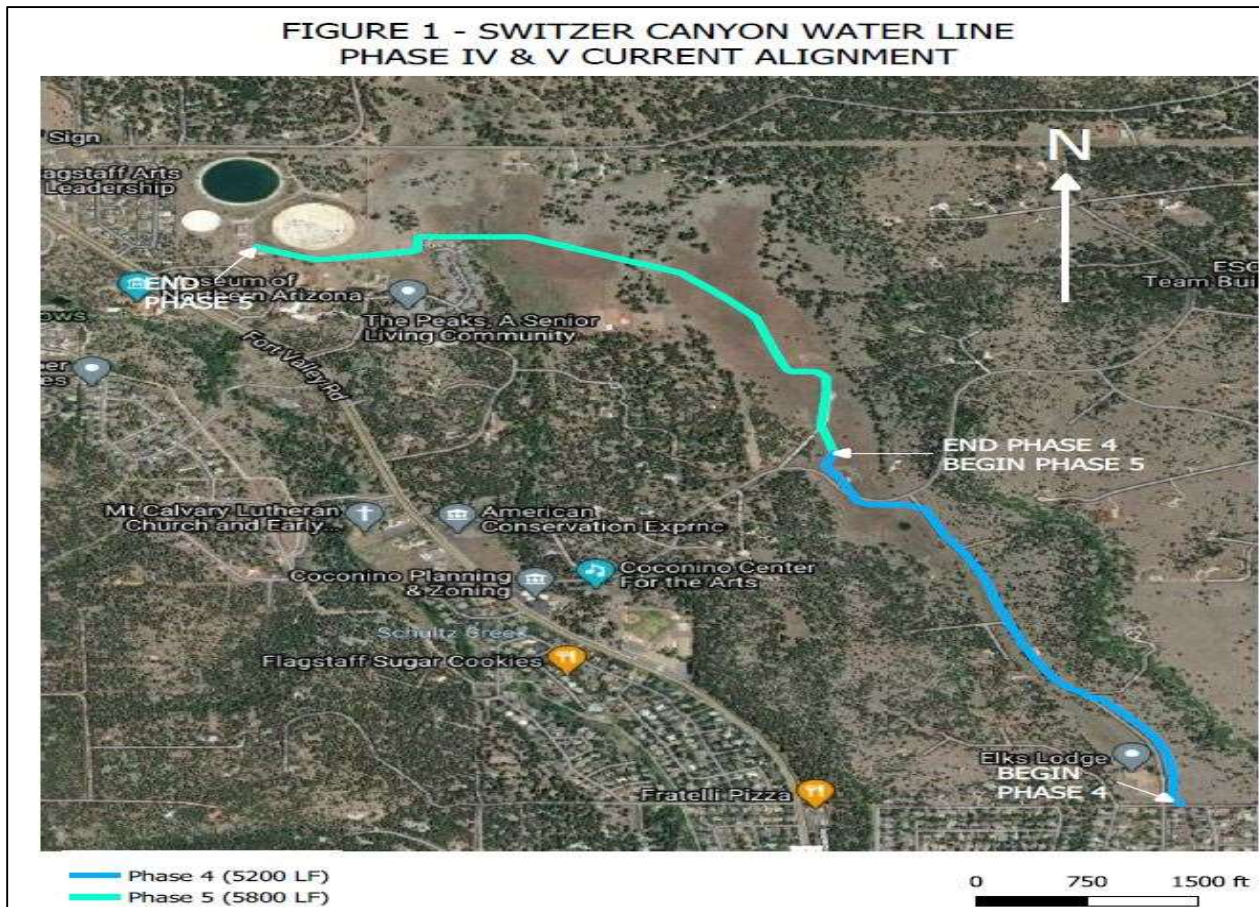
Switzer Canyon Transmission Main Phase IV (Construction Phase)

FUND: DRINKING WATER

Description – The Project is the fourth phase of a five phase program and consists of installing two new water transmission mains, 24” and 16”, that will extend the distribution system, zone A and B, from the Downtown area to the City Reservoirs near Elden Lookout Road. The length of Phase IV is approximately 5200 feet. The project area extends outside City limits. Included in the project will be the two water mains with appurtenances and fire hydrants. Water service to county residents will not be provided in exchange for property rights. Construction of Phase IV is planned to begin in Summer of 2023. Design of Phase V is planned for FY24.

Project Update:

- Final design of Phase IV was completed in January 2023.
- Construction cost estimate is approximately \$4.7MM.
- Advertisement for bidding began February 10, 2023 and closes March 10, 2023.
- Acquisition of property rights for Phase IV is nearing completion.
- Council consent and approval of construction contract is scheduled for April 4, 2023.
- Osprey nest will limit construction during breeding season (April 15 through July 31) for 1100 feet of Phase IV.



Protected Intersections at Butler/Beaver and Butler/San Francisco (Design Phase)

FUND: TRANSPORTATION TAX

Description – The Project consists of feasibility designs of two protected intersections on Butler Avenue, one at the intersection with Beaver Street and one at the intersection with San Francisco Street. Protected intersections separate bicycle traffic from vehicular traffic. WSP USA, Inc. was selected as Engineering firm for 15% designs of protected intersections. Final deliverables consist of Technical Reports for each intersection and 15% level conceptual plans

Project Update:

- WSP USA, Inc. has completed 15% designs and submitted draft Technical Reports
- Expected delivery of final Technical Reports is March 2023
- Estimate of costs for design and construction is \$793k for Beaver/Butler intersection and \$770k for San Francisco/Butler intersection



Beaver Street and Butler Avenue



San Francisco Street and Butler Avenue

Solier Ave. Transmission Main (CONSTRUCTION PHASE)

FUND: DRINKING WATER & DEVELOPER CONTRIBUTIONS

- **Description** – The Project consists of installing approximately 5,200 linear feet of 12” PVC water transmission main, this will complete the distribution system along Soliere Ave. from Elk Run St. to 4th St. The new transmission main will supply the needed secondary water source for developments along Butler Ave.

Project Update:

- Project is currently being advertised for bid, will close March 10
- A construction contract is it scheduled to be awarded at Council in April
- Due to long material lead times, construction will most likely not start until Spring of 2024



Vicinity Map for new Soliere Ave. Transmission main, depicted with blue line

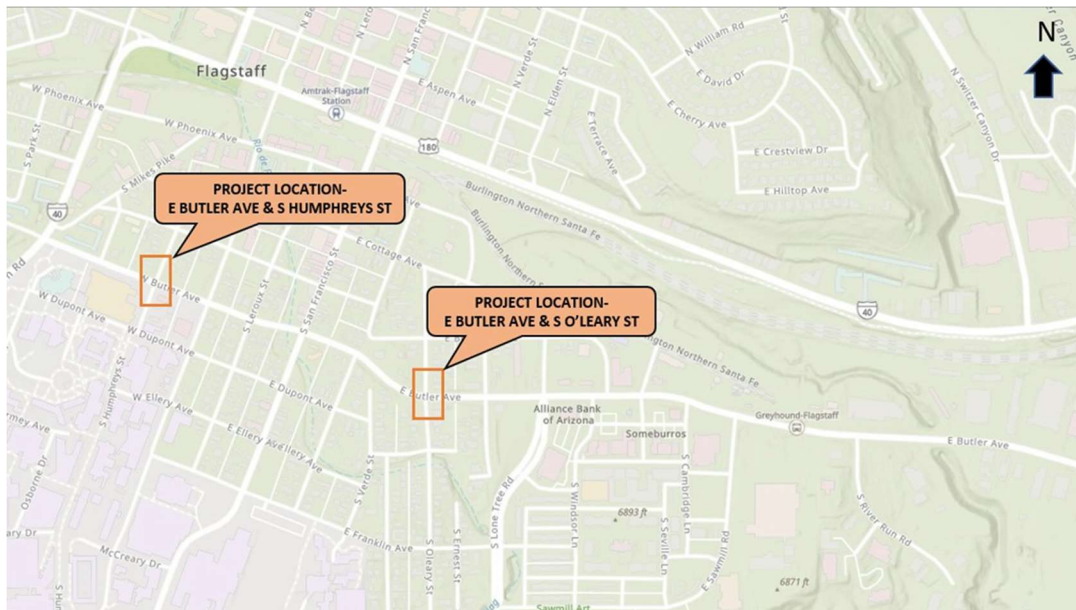
Butler and O’Leary Pedestrian Crossing (DESIGN PHASE)

FUND: TRANSPORTATION

Description- This project includes the design and construction of a new pedestrian and bike crossing located at the intersection of Butler Avenue and O’Leary Street. Prior to design and construction, a traffic study will be conducted to determine if the crossing warranted. If the traffic study deems the crossing necessary, then the crossing at Humphrey’s Street and Butler Avenue will be upgraded to meet the current City of Flagstaff Engineering Design Standards.

Project Update:

- On-Call designer has provided a proposal for the scope of work.
- The proposal is under review by City staff, once approved the designer will receive NTP.
- Design is anticipated to be completed by Spring 2024 and construction to begin Summer or Fall of 2024.



Vicinity map for the Butler and O’Leary Crossing & Butler and Humphrey’s Crossing

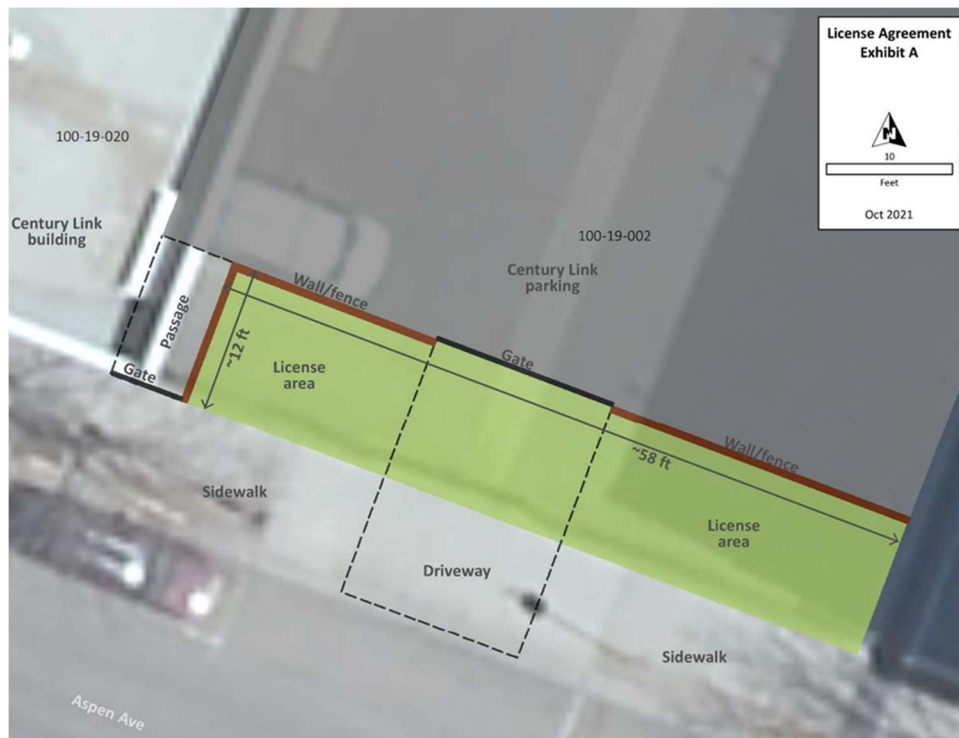
Aspen Ave Bike and Pedestrian Enhancements (PLANNING PHASE)

FUND: BEAUTIFICATION

Description- This project includes the design and construction of an enhanced bike and pedestrian area located on Aspen Avenue along the frontage of the CenturyLink parking lot. This project will incorporate 2 CenturyLink parking spaces (via a business license agreement) to allow for seating and bike parking along Aspen Avenue. The fencing will be enhanced and pushed back, pavers or decorative concrete will be installed, and the seating and bike racks will also incorporate decorative elements.

Project Update:

- On-call designer is putting together a proposal for the scope of work.
- In collaboration with BBB, we have met with stakeholders downtown to narrow design options and get community buy-in.
- Design is anticipated to be complete by Fall 2023 and construction to begin in Spring/Summer 2024



Site concept for Aspen Niche

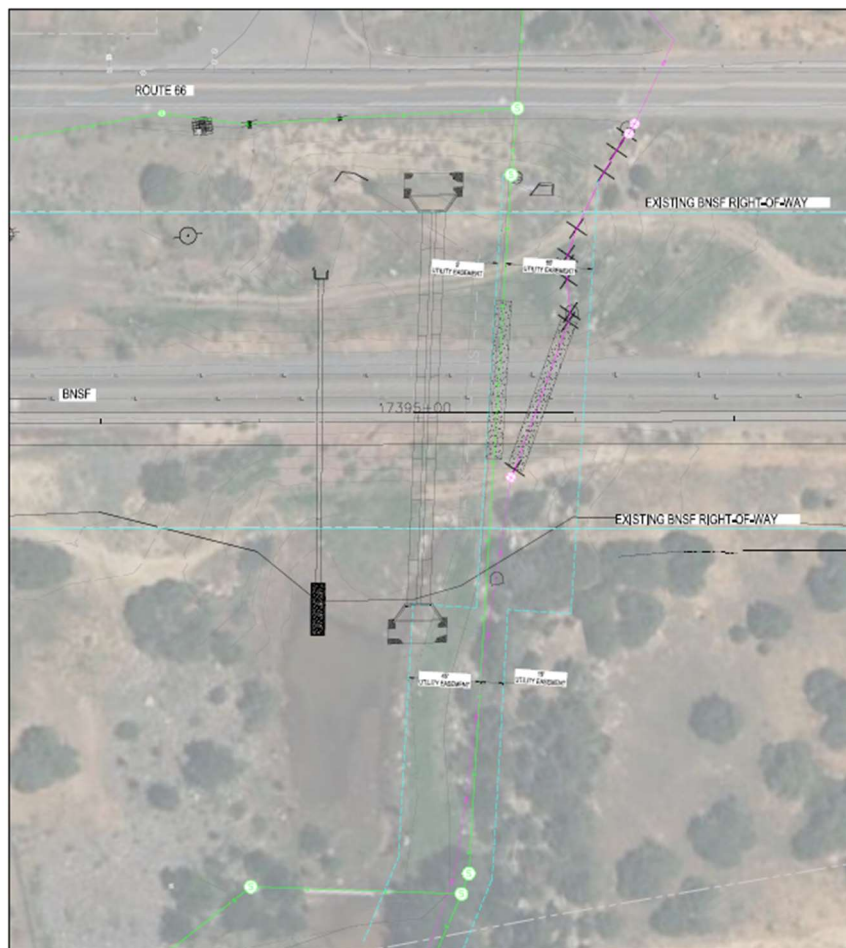
BNSF Utility Relocation (DESIGN PHASE)

FUND: WASTEWATER FUND AND RECLAIMED WATER FUND

Description- BNSF Railroad has requested that the City of Flagstaff relocate a wastewater and reclaimed water line that is conflict with their plans for adding 2 tracks to their rail line. This project is located in East Flagstaff, just south of Route 66 and east of Purina. The Rio de Flag crosses underneath the railroad tracks at this location as well. Stormwater has requested that the stormwater culverts be upsized to match the capacity of the box culverts located to the south underneath the I-40 as the current culverts are undersized and create significant backups during flooding events.

Project Update:

- On-call designer has begun design on the relocation of the reclaimed and sewer line.
- Designer has also been tasked with determining appropriate upsizing for the stormwater drain.
- Design is anticipated to be complete by May 2024 with construction starting shortly after.



Existing conditions of sewer and reclaimed lines at BNSF RR

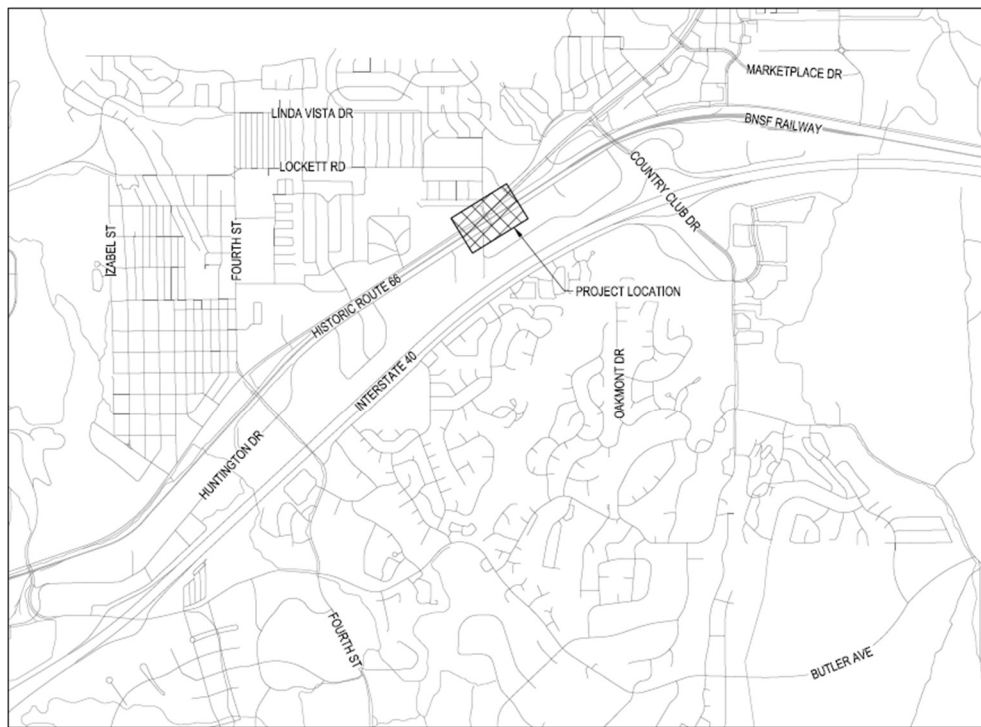
Route 66 & Fanning S. Edge Landscaping (CONSTRUCTION PHASE)

FUND: BEAUTIFICATION

Description- This project will enhance the existing landscape to draw attention to the street frontage and block the view of the industrial area to the south along Route 66 at the intersection of Fanning. The project was designed to incorporate themes from the Route 66 Park located to the northeast of the site. The Route 66 and Fanning S. Edge Landscaping project generally includes installation of new landscaping elements including native trees, shrubs, and grasses; installation of "FUTS-Style" fencing with U.S. Route 66 signs; installation of berms and basalt boulders to provide screening and increase aesthetics; and installation of reclaimed waterlines for irrigation.

Project Update:

- Bids were received on February 28th and are currently under review.
- The construction contract award will be presented to Council for consideration and approval on April 4, 2023.



LOCATION MAP
NOT TO SCALE



Vicinity map of Rt 66 & Fanning Landscaping Project

Spruce Wash Drainage Improvements Project (DESIGN PHASE)

FUND: Proposition 441

Description- The Spruce Wash Drainage Improvement Project is composed of seven different flood infrastructure projects that will be constructed over the next three years to mitigate flooding from the 2019 Museum Fire in the Spruce Wash area. The seven projects are as listed:

Arroyo Seco Drive Inlet

The inlet at Arroyo Seco Drive captures surface runoff from the Spruce Wash channel as well as subsurface runoff from an existing 60-inch storm drain. The inlet will be reconstructed for the purposes of increasing the inlet capacity to capture more stormwater into the existing 60-inch storm drain. A permanent wall will also be constructed in place of the temporary eco-blocks that will divert excess stormwater into Ponderosa Park and into the Killip regional detention basin.

Arroyo Seco Drive to Dortha Avenue Channel

The channel from Arroyo Seco Drive to Dortha Avenue has limited capacity to convey stormwater runoff in its existing condition. The channel will be re-graded to improve capacity above the existing 60-inch storm drain that runs underneath the channel.

Cedar Avenue Crossing

The Spruce Wash channel will be reconstructed to convey a higher flow rate. The existing box culvert drop inlet will be reconstructed to match the new channel flow line, and the existing box culvert under Cedar Avenue will be evaluated and potentially upsized.

Cedar Avenue to Linda Vista Drive Channel

The existing Linda Vista Drive Channel east of Grandview Drive between Cedar Avenue to Linda Vista Drive or “Grandview Channel” is slated to be improved to accommodate additional flow from the Spruce Watershed. The improvements will increase the capacity of the Linda Vista Drive Channel and may include channel lining, bank protection, horizontal & vertical realignment, franchise utility relocations and hardscape relocations. The existing channel characteristics vary from upstream to downstream and the channel may include several types of materials and cross section configurations.

Linda Vista Drive Crossing

The existing culvert crossing at Linda Vista Drive just north of Paradise Road does not have adequate capacity to convey the stormwater runoff from the Spruce Watershed. A new box culvert crossing will be constructed to replace the existing corrugated metal pipes and limit the potential overtopping of Linda Vista Drive. The replacement will require franchise utility relocations as well as City of Flagstaff water and sewer main.

Grandview Drive Reconstruction

The Project includes water and sewer main relocation/replacement on Grandview Drive from Cedar Avenue to Linda Vista Drive including services up to the right-of-way. Water replacements include new hydrants, valves and boxes. Sewer replacements include new manholes and cleanouts. Grandview Drive will be reconstructed from a

crowned street with rolled curb to an inverted crown street (valley gutter in the center of the street) with new vertical curb and spill gutter. This will require new driveway aprons and driveway matchups. Street improvements will include matchups to intersecting cul-de-sac streets. A new storm drain system will collect water from the lower end of Grandview Dr. and convey that stormwater via a box culvert or pipe to the Spruce Wash box culvert in Cedar Avenue to the east

“The Wedge” Detention Basin

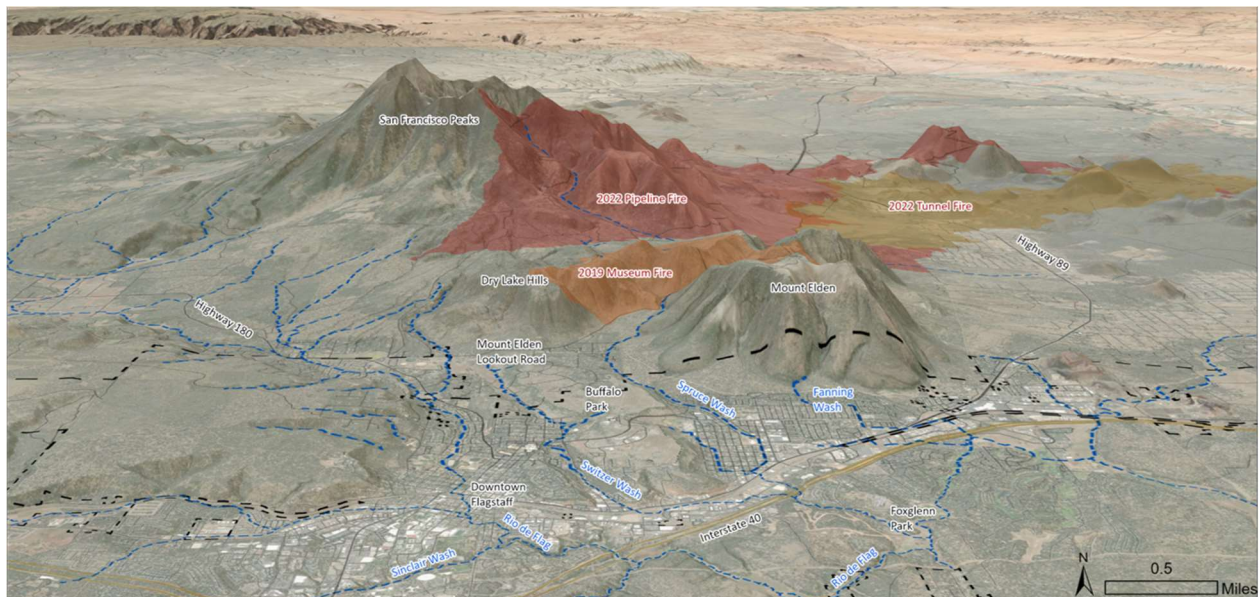
The City of Flagstaff owns a ±4.6-acres triangular shaped parcel, “The Wedge”, bounded by West Street, Cedar Avenue and the Linda Vista Drive slip lane that could serve as a detention basin. Construction of a basin at this location would require clearing and removing approximately 75,000 CY of excavation, likely with shallow rock. To maximize volume, a 5’ tall wall would be constructed along a 300’ long section of the basin. An outlet structure and new piping would connect to an existing storm drain system in Cedar Avenue. Guardrail and fencing would also be needed for safety and security. Stormwater would be diverted from Spruce Wash and conveyed to the Wedge via a ±1,300-LF storm drain under Linda Vista Drive. Installation of the storm drain would include a diversion structure at Linda Vista Drive and curb inlets at Grandview Drive. The storm drain crosses several utilities in Linda Vista Drive. which would likely require relocation including franchise utilities and City of Flagstaff sewer and water mains.

Project Update:

- Staff is in negotiations with a Construction Manager at Risk (CMAR)
- Geotechnical work and Survey to support design is schedule for March
- Staff has four separate design firms starting on design
- The first of several Guaranteed Maximum Price (GMP) for construction is tentatively scheduled to bring to Council on July 3rd.
- Construction logistics planning and project delivery timing are underway, it is likely that construction activities will start in the late summer/early fall of this year on one or two of the projects.



Vicinity Map for Spruce Wash Drainage Improvement Projects



Overall Burn Map, 2019 Museum Fire shown in orange is the area that affects the Spruce Wash corridor

Private Development Projects

DEVELOPMENT ENGINEERING SECTION

The Development Engineering Section continues to review IDS projects for adherence to City of Flagstaff Engineering Standards for both Subdivisions and projects requiring Site Plan or other Zoning Code entitlements. There continue to be significant projects under review in both the residential subdivision and commercial Site Plan categories. Major projects with significant Engineering involvement include the NAH new campus, additional phases of work in the Timber Sky subdivision and surrounding area, Canyon Del Rio Subdivision, Juniper Point Subdivision, Elkwood Multi-Family Housing.

Projects In Civil Plan Review –

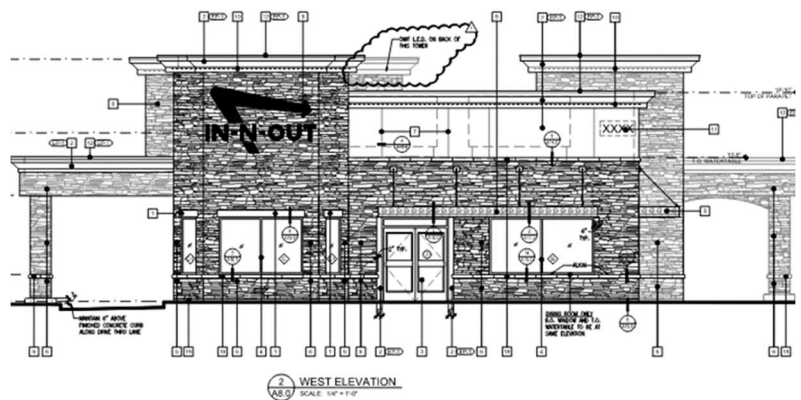
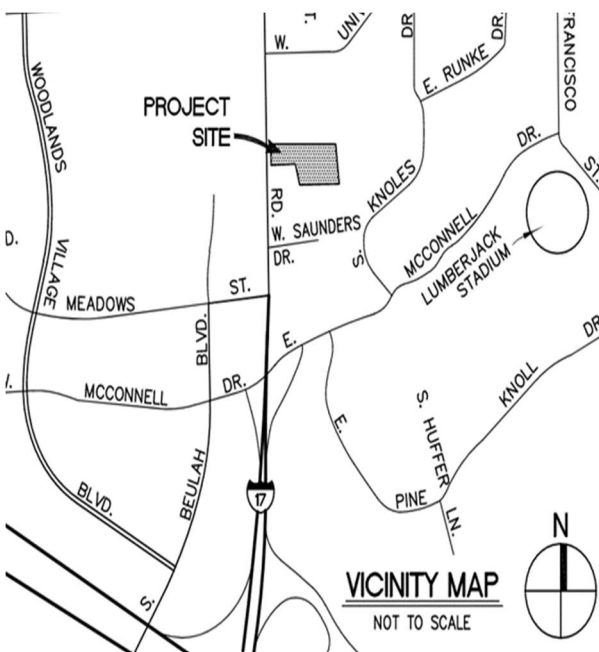
- Three Subdivision Engineering Plan Reviews
- Nine Site Plan Engineering Plan Reviews

Projects In Construction or Permitting –

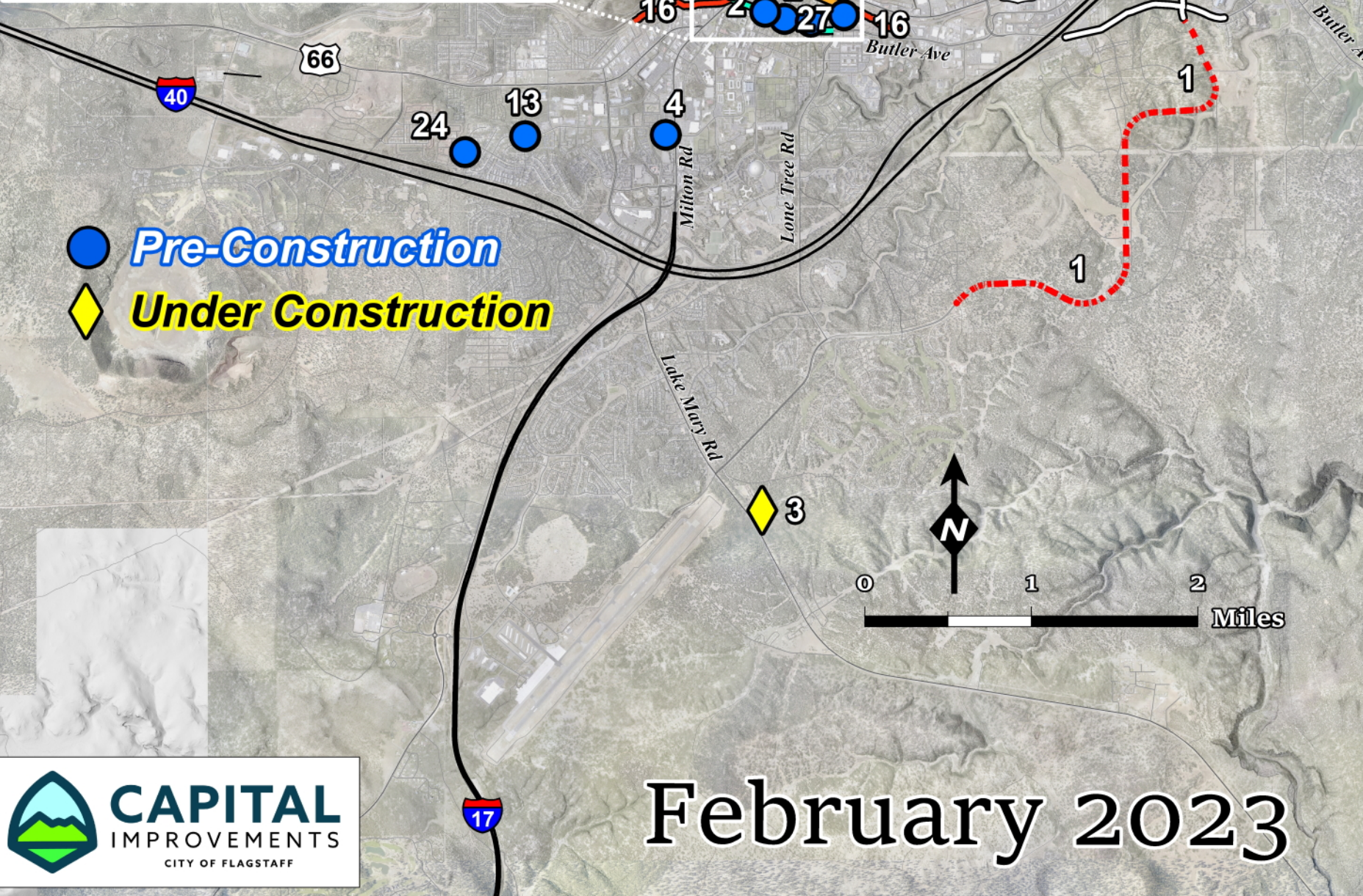
1. Nine Subdivisions in Construction or awaiting permits
2. Sixteen Site Plan Projects in Construction or awaiting permits

Highlighted Project – In-N-Out Burger

The In-N-Out project is scheduled to begin demolition of the existing building on Monday, March 13 following the pre-construction meeting. Public Improvements for this project consist of some on-site water main and a new sewer service connection. In addition, there are some associated ADOT improvements which include the already constructed median and turn-lane improvements along with a new 8-foot sidewalk along Milton Road. Additional ROW dedication to ADOT to be conveyed upon the completion of construction. Anticipating the completion of construction in mid to late Summer.



Capital Improvements Projects



● **Pre-Construction**
 ◆ **Under Construction**

No.	Status	Project Name
1	●	J.W. Powell Specific Plan Study
2	●	Protected Intersections at Butler/Beaver and Butler/San Francisco
3	◆	LMWTP Flocculation and Sediment Rehabilitation
4	●	Beulah Boulevard Extension / University Drive Realignment
5	◆	Coconino Estates Improvements Phase II
6	●	Fremont Boulevard Restriping
7	●	Mountain Line Downtown Connection Center
8	◆	Coconino Estates Improvements Phase I
9	●	Lockett/Fourth Roundabout
10	●	Lone Tree Overpass Project
11	◆	Library Entrance
12	◆	Soliere Transmission Main
13	●	Boulder Pointe - University Avenue Traffic Calming
14	●	Switzer Canyon Transmission Main Phase IV & V
15	●	Route 66 at Fanning Edge Landscaping
16	●	Rio de Flag Flood Control Project
17	●	Steves Boulevard Wash at Soliere
18	●	Wildcat Hill Wastewater Treatment Plant (WHWTP) Digester Complex
19	●	Butler-Fourth Improvements
20	◆	Museum Fire Flood Mitigation/Division D
21	●	Spruce Wash Drainage Improvements
22	●	Park Basins
23	●	Downtown Mile Safety and Connectivity Improvement Project
24	●	Woody Way
25	◆	Protected Bike Lane Pilot Projects (Butler Ave. & Beaver St.)
26		ATMP (Citywide) See website: www.flagstaff.az.gov/atmp
27	●	Butler and O'Leary Pedestrian Crossing
28	●	Aspen Avenue Bike and Pedestrian Enhancements
29	●	BNSF Utility Relocation



February 2023

CITY OF FLAGSTAFF STAFF SUMMARY REPORT

To: The Honorable Mayor and Council
From: Bryce Doty, Real Estate Manager
Co-Submitter: Dan Folke
Date: 02/15/2023
Meeting Date: 03/14/2023



TITLE

Discussion and direction on whether to consider an invitation for bid for a lease within the Cheshire Park expansion area for a Telecommunication Facility (cell tower).

STAFF RECOMMENDED ACTION:

City staff in the Property and Development Committee as well as Parks, Recreation, Open Space, and Events (PROSE) staff recommend not pursuing a lease in the Cheshire Park expansion area at this time.

EXECUTIVE SUMMARY:

City staff have received interest from companies wishing to install a 100' cell tower within the City real property identified as an expansion area of Cheshire Park. Staff is seeking council direction on whether to solicit an invitation for bids to lease approximately 2,500 square feet of the property for such a site.

INFORMATION:

AT&T is looking to expand both its commercial cellphone coverage and its FirstNet program, a first responders network connectivity program, within the City of Flagstaff. A parcel belonging to the City of Flagstaff, Assessor's Parcel Number 111-02-006B has been identified as a potential site. This site is currently identified by City Parks for the expansion of Cheshire Park. A concept plan was produced and adopted by Council in 2003. The Parks and Recreation Commission continues to prioritize this location for a multi-purpose field. There are current and fruitful ongoing conversations with local partners to contribute funds to construct a joint project of a multi-purpose field with a community running track around it.

There is concern that a cell tower within the park, and the access it would require, will split the parcel and limit the ability to provide the multi-purpose field and track desired by the community. There is also concern that a cell tower site in a park is not compatible with park purposes in general. Because of these concerns staff does not support a cell tower on the site.

However if these concerns, and community concerns regarding cell towers in general could be adequately addressed, granting a cell tower lease at this site could provide improved service in the area for customers and first responders, and provide a revenue source to fund future park improvements. Based on Average Municipal Land Cell Tower Rates in Arizona, Flagstaff could expect revenue of \$22,500 annually with 3% annual escalators over the course of a 50-year lease, totaling \$2.2 million over 50 years.

Cell tower sites are often located in public parks and at public schools in the metropolitan Phoenix area. The pole could be designed to resemble a ponderosa pine tree ("stealth" facility). A standard 100' facility could accommodate multiple telecommunication companies.

While the staff Property & Development Team opposed the proposal, it is an advisory group. Past considerations of these types of requests have not advanced beyond the staff discussion. In an effort to provide more transparency and offer a public discussion, Real Estate is bringing this item to City Council to receive direction on whether a lease should be pursued.

Should Council direct staff to continue in the direction of siting a cell tower on the site, staff will initiate the following steps:

1. Commissions: Take the request to the Parks and Recreation Commission for their recommendation, input and siting coordination
2. Procurement: Solicit an invitation to bid for a ground lease on the property. We would establish a minimum bid and incorporate additional requirements as directed (for example, additional screening requirements, lessor ability to relocate at lessor expense, etc.)
3. Public Auction: the ground lease would be offered to the highest responsible and responsive bidder only for the property and access rights needed to erect a cell tower.
4. Award of Lease: Staff would bring the lease to council for award.
5. Permitting: The use on the property is allowed subject to a conditional use permit. The ground lease would be contingent on successful approval of a conditional use permit.

Attachments: [Updated cell tower at Cheshire presentation](#)

Cell Tower Siting Cheshire Park Expansion February 14, 2023





Introduction

Request for Use of City Property

- Telecommunication Facility: Expansion area of Cheshire Park
 - Real Estate Manager
 - Parks, Recreation, Open Space, and Events (PROSE) staff
 - Property & Development team
- Seeking City Council direction
 - Prepare a solicitation for Telecommunication Facility proposals, or
 - Do not proceed with lease procurement



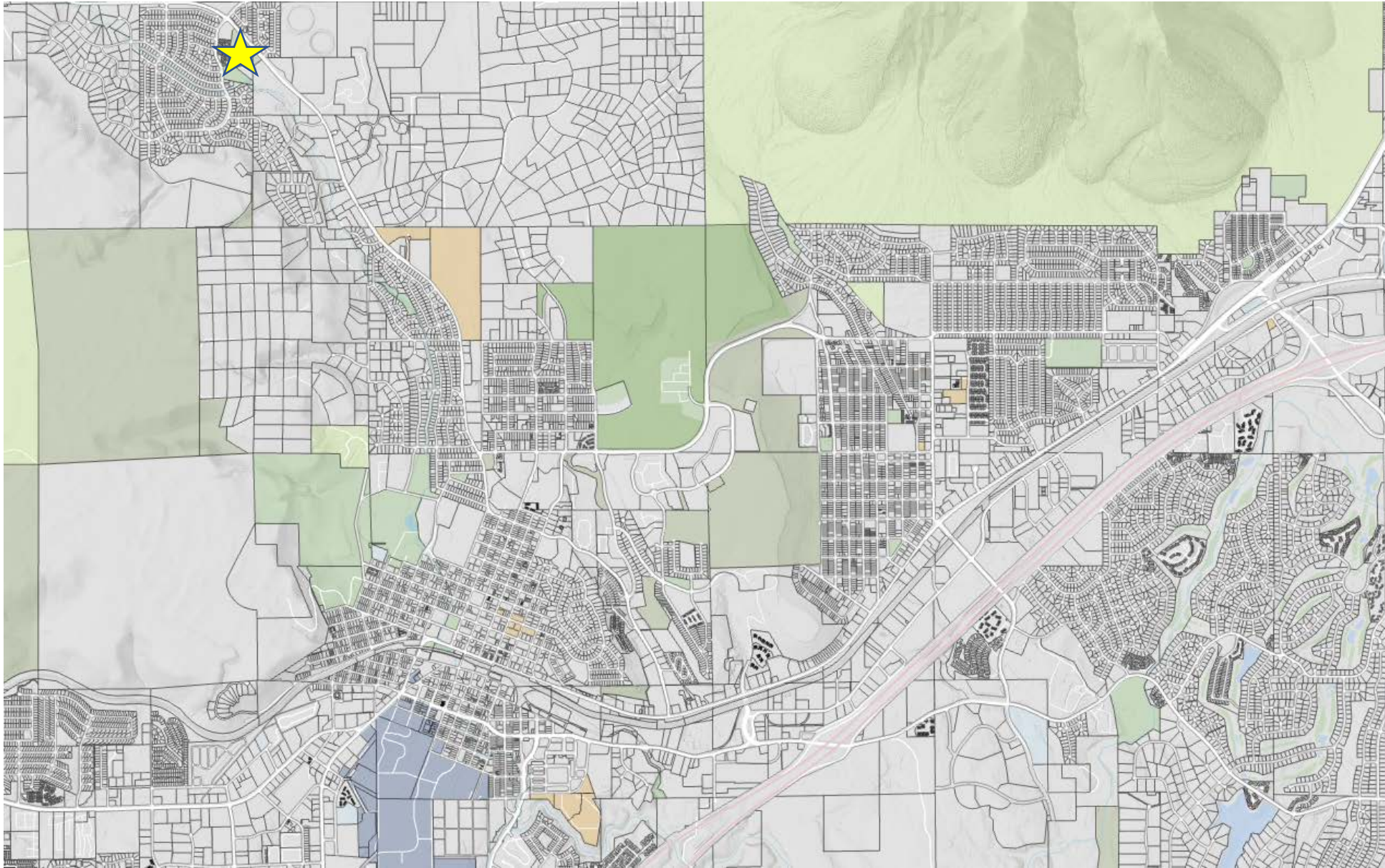
Telecommunication Facilities

Zoning Code: 10-40.60.310 Telecommunication Facilities

- Attached facilities/co-location/stealth administrative review
- New antenna supporting structures (aka tower) require Conditional Use Permit
 - Demonstrate need
 - Demonstrate alternatives do not exist
 - Appropriate mitigation of impacts can be achieved



Vicinity Map





Parcel Boundary and APN Number



Proposed AT&T WCF Facility (blue line represents access, yellow for utilities)



Request for consideration

cell tower siting interest





Siting Requirements



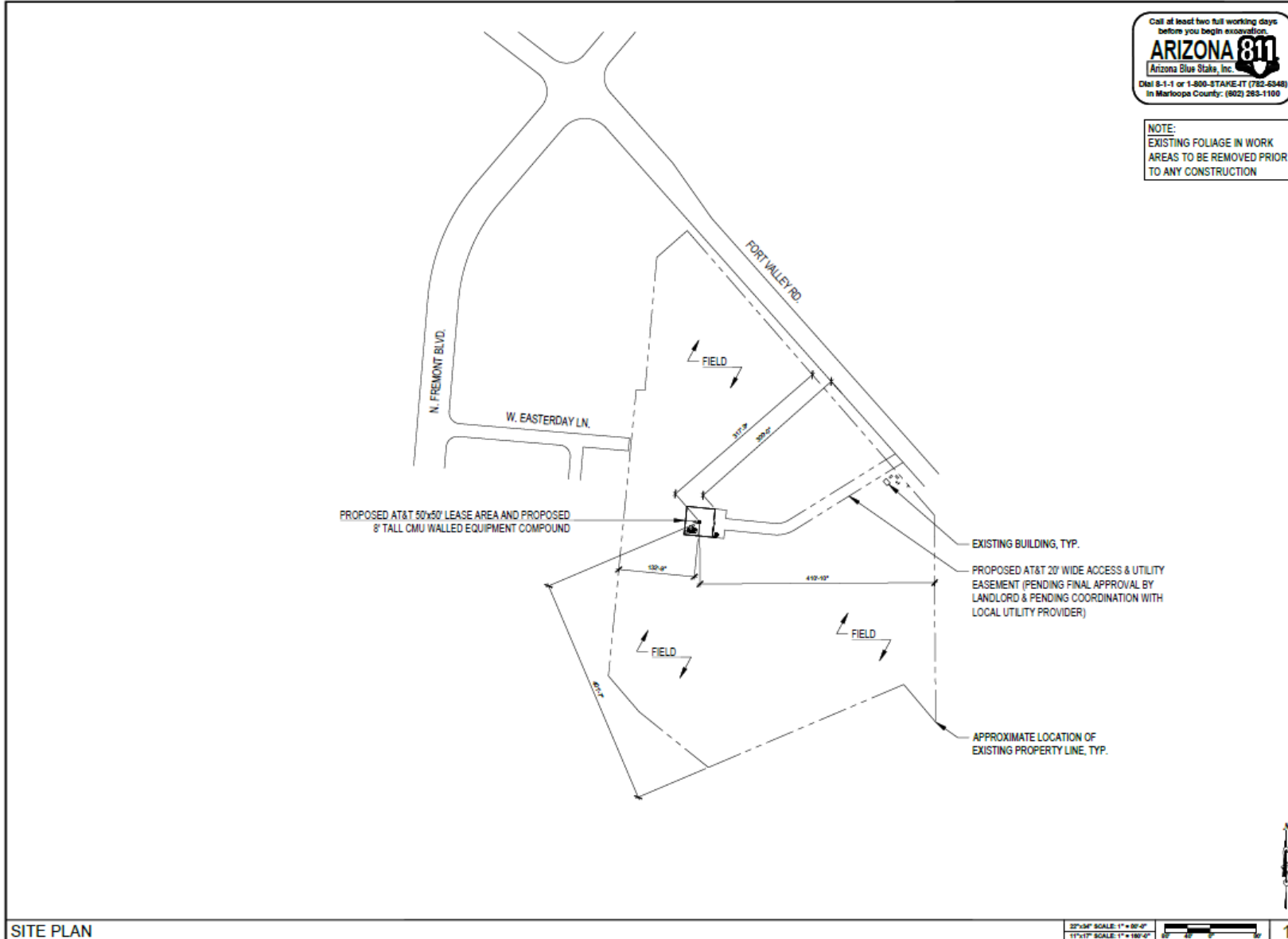
- 50' by 50' site (2,500 SQFT)
- 100' tall stealthed as a pine tree
- Code requirements for screening and construction
- Enhanced Screening requirements could be placed in lease bid documents



Siting Requirements

TEAM FLAGSTAFF

WE MAKE THE CITY BETTER



1355 WEST UNIVERSITY DRIVE
 MESA, AZ 85201-5419

THE INFORMATION CONTAINED IN THIS SET OF DRAWINGS IS PROPRIETARY & CONFIDENTIAL TO AT&T WIRELESS. ANY USE OR DISCLOSURE OTHER THAN AS IT RELATES TO AT&T WIRELESS IS STRICTLY PROHIBITED.

8001 643-4100 www.ramaker.com

8767 E. VIA DE VENTURA
 SUITE 300
 SCOTTSDALE, AZ 85258

REV.	DATE	REVISION DESCRIPTION
A	11/19/02	ISSUE FOR REVIEW

REV.	DATE	REVISION DESCRIPTION

THE CONTRACTOR SHALL INSTALL ALL EQUIPMENT AND MATERIALS IN ACCORDANCE WITH MANUFACTURER'S RECOMMENDATIONS AND SPECS. UNLESS SPECIFICALLY STATED OTHERWISE, THE MANUFACTURED EQUIPMENT INSTALLATION SPECS SHALL ALWAYS BE VERIFIED BY THE CONTRACTOR BEFORE INSTALLATION.

PROJECT INFORMATION:
 AZL01631
 FLAGSTAFF PARK
 3349 N. FORT VALLEY RD.
 FLAGSTAFF, AZ 86001
 COCHISE COUNTY
 FA: 15458442
 USID: 321681

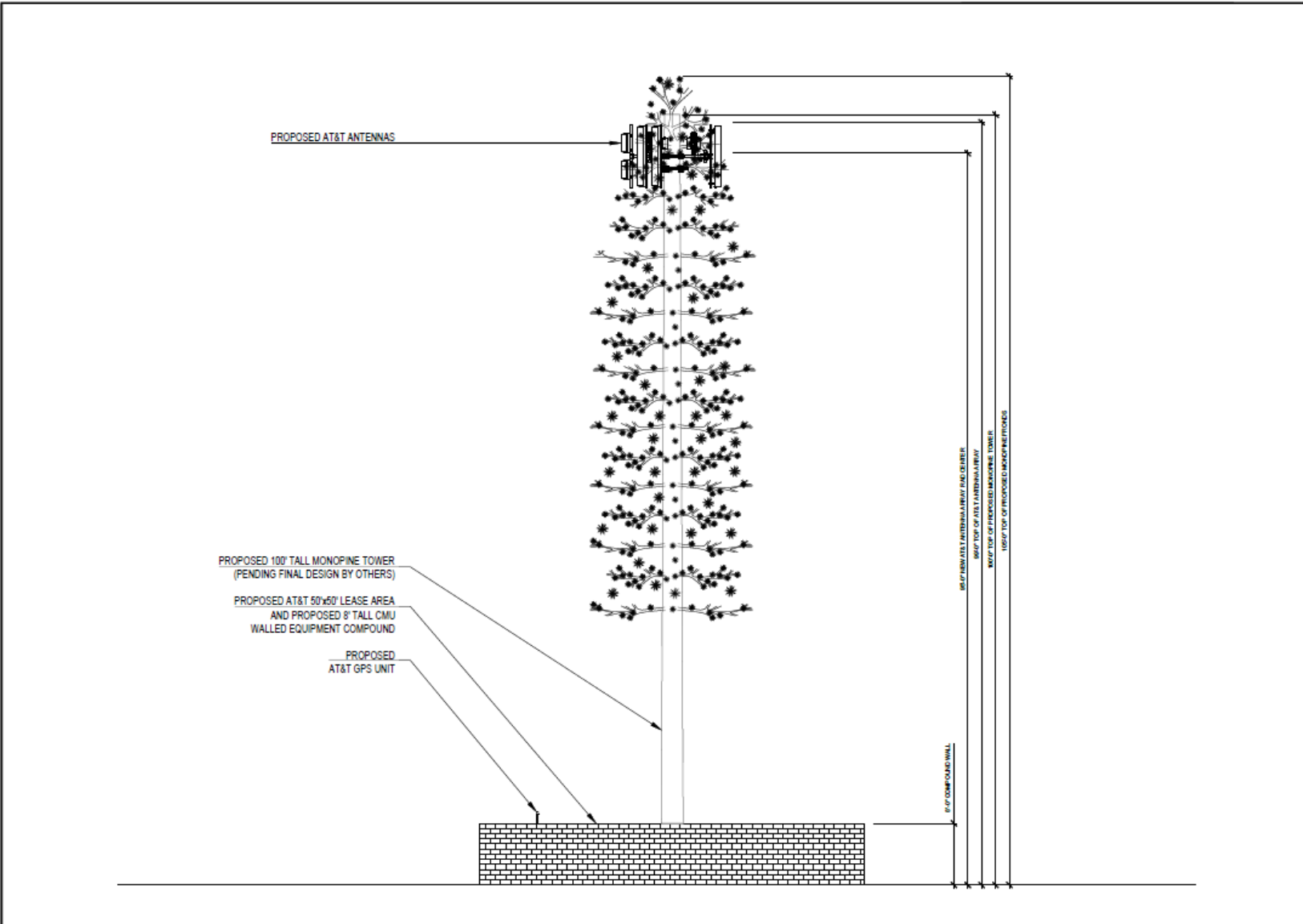
DRAWN BY: CE CHECKED BY: AS

SHEET TITLE: SITE PLAN

SHEET NUMBER:	REV:
A-1	A




Siting Requirements




SOUTH ELEVATION - NEW

22"x34" SCALE: 1/8" = 1'-0"
11"x17" SCALE: 1/32" = 1'-0"




1955 WEST UNIVERSITY DRIVE
MESA, AZ 85201 5419

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smartlink
8767 E. VIA DE VENTURA
SUITE 200
SCOTTSDALE, AZ 85258

REV.	DATE	REVISION DESCRIPTION
A	11/10/09	ISSUE FOR REVIEW

THE CONTRACTOR SHALL INSTALL ALL EQUIPMENT AND
MATERIALS IN ACCORDANCE WITH MANUFACTURERS'
RECOMMENDATIONS AND SPECS. UNLESS SPECIFICALLY
STATED OTHERWISE, THE MANUFACTURERS EQUIPMENT
INSTALLATION SPECS SHALL ALWAYS BE VERIFIED BY THE
CONTRACTOR BEFORE INSTALLATION

PROJECT INFORMATION:
AZL01631
FLAGSTAFF PARK
3349 N. FORT VALLEY RD.
FLAGSTAFF, AZ 86001
COCHINO COUNTY
FA: 15499442
USID: 321661

DRAWN BY: CE	CHECKED BY: AS
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SHEET TITLE:
ELEVATIONS - NEW

SHEET NUMBER: A-3	REV: A
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Considerations





Service Need / Improvement in Area

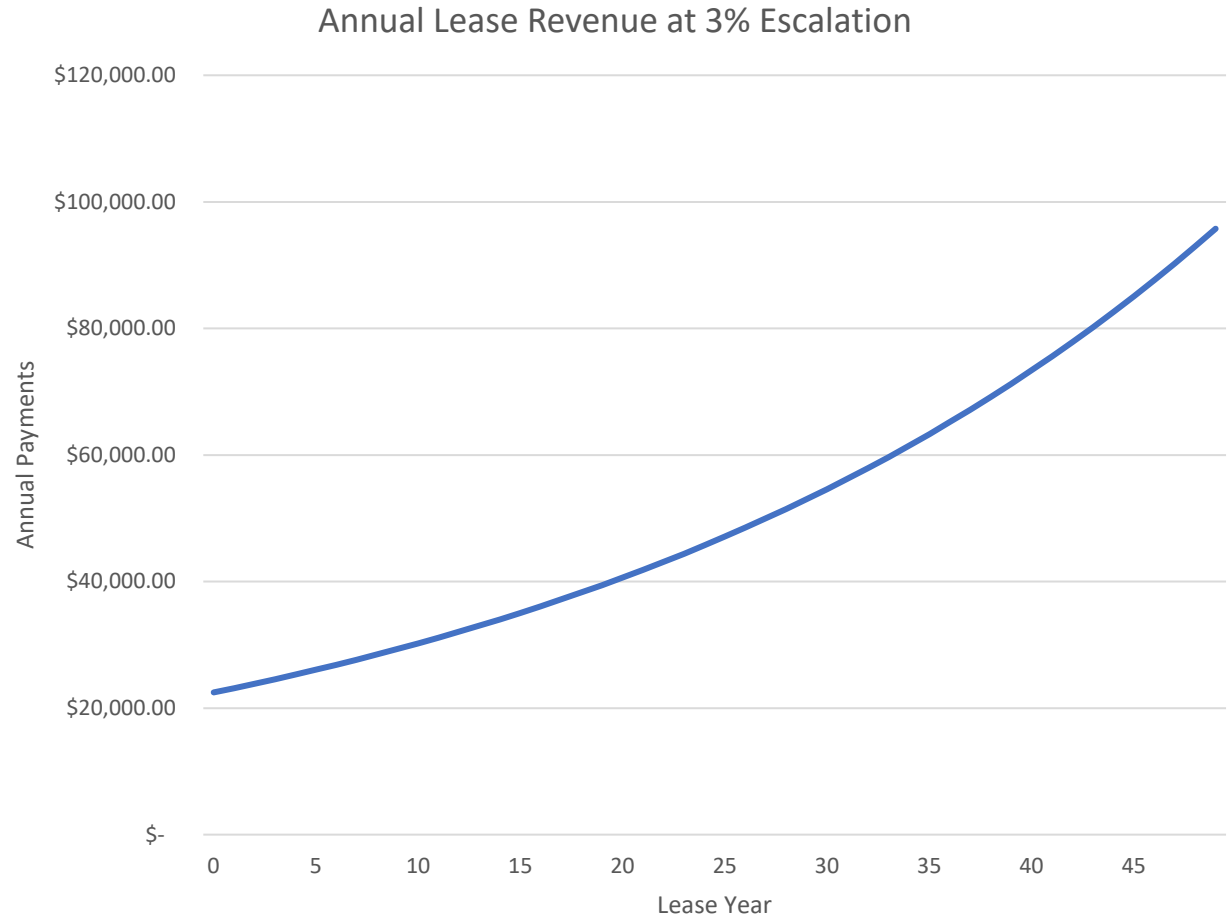
- Per the requestor, this area of Flagstaff, and Highway 180 in particular, suffers from a lack of coverage for AT&T cellular customers historically, thus the addition of a cell site here will improve coverage for said customers.
- In addition to providing coverage for typical cell phone users, the site houses First Net capable antennas, thus increases coverage for emergency responders within the area.
- How was the need for service determined, beyond customer complaints?
 - Technical analysis demonstrates benefit to users
 - Propagation maps



Potential Revenue

Based on Average Municipal Land Cell Tower Rates in Arizona:

- \$22,500 / Year with 3% annual escalators
- Additional revenue potential for Co-located carriers (up to 3 additional carriers)
- 50-year leases
- Est. \$2.5M over life of lease (\$700,000 Net Present Value @ 6% Discount Rate)





Cheshire Park Expansion

- Park Expansion Concept created and adopted in 2003
- Updated concept is needed but multipurpose field is the main amenity
 - Likely need a deceleration lane off 180
- One of Parks and Recreation Commission's top priorities is to provide multipurpose fields
- Potential local partner contribution to construct a community track around the field
- Any cell tower siting, including access easements, would need to accommodate these park amenities





Property & Development Team

Staff advisory committee

- Recommendation not to proceed with a lease
 - Impact to future park planning and construction
- Staff has concerns with community response
 - Will require a Conditional Use Permit



Considerations Overview

Community Benefits

Improved cell service in the area

City revenue, could dedicate to future park, though it would take many (>20) years to accumulate enough funds for construction

Park Impacts

Future park planning and improvements

Ability to incorporate PROSE priorities into expansion (multi-purpose fields and community running track)

Community Concerns

- **Impacts to future park construction**
- **Proximity to Townhouses**
- **Proximity to School**
- **Proximity to Northern Arizona Museum**
- **Viewshed**
- **RF Exposure**
- **Noise**



Next Steps if direction is to move forward



Commissions

Parks and Recreation Commission

Procurement

Competitive Lease Solicitation

Establish Minimum Bids
Incorporate additional
requirements (enhanced
screening etc.)

Public Auction

Award of Lease

Council has right to reject
all bids

Permitting

Community Development Review

CUP Process

Siting / Screening
Requirements

National Historic Preservation Act Review

Section 106 Review,
cultural resource study
due to proximity to MNA

**CITY OF FLAGSTAFF
STAFF SUMMARY REPORT**

To: The Honorable Mayor and Council
From: Chris Rhode, Management Analyst
Date: 03/08/2023
Meeting Date: 03/14/2023



TITLE:
Update on Minimum Wage and Office of Labor Standards

DESIRED OUTCOME:
Provide information to Council and obtain feedback and input on the Flagstaff Minimum Wage Ordinance and management of the Office of Labor Standards.

EXECUTIVE SUMMARY:
This presentation is intended to provide Council with an overview of the work this office has conducted in 2022 and the work that it expected in the future. City Staff is also seeking input and direction on a possible amendment to the Minimum Wage Ordinance pertaining to corrections made to the Consumer Price Index by the U.S Bureau of Labor Statistics after it is published.

INFORMATION:
The Flagstaff Office of Labor Standards was created in 2017 following the passage of Proposition 414 by the people of Flagstaff in the 2016 General Election. The Office is tasked with enforcing the City's Minimum Wage Ordinance by providing documents to employers and employees, conducting outreach to the community, and investigating possible wage violations.

Attachments: [2023.03.14 - Flagstaff OLS 2023 Update](#)

Office of Labor Standards (OLS) 2023 Update

Chris Rhode – Management Analyst





Ordinance Background

- Passed as Ballot Measure in November 2016
 - Voter Protected
- Goal of \$15 per hour by 2021
- Currently \$16.80 per hour
 - \$14.80 per hour for tipped workers
 - Tipped Wage phased out in 2026
- Future increases tied to Consumer Price Index (CPI)
- State and Federal governments are exempt



Calculating the Minimum Wage

- Percent increase of CPI from previous year
 - All urban consumers, U.S. city average for all items
- Measured in August
- Numbers released in mid-September
 - Numbers can be amended without notice for 10 years
- Min Wage for next calendar year announced shortly after

Staff Recommendation:

Add clarification that CPI at time of publication will be used to calculate minimum wage



Responsibilities of OLS

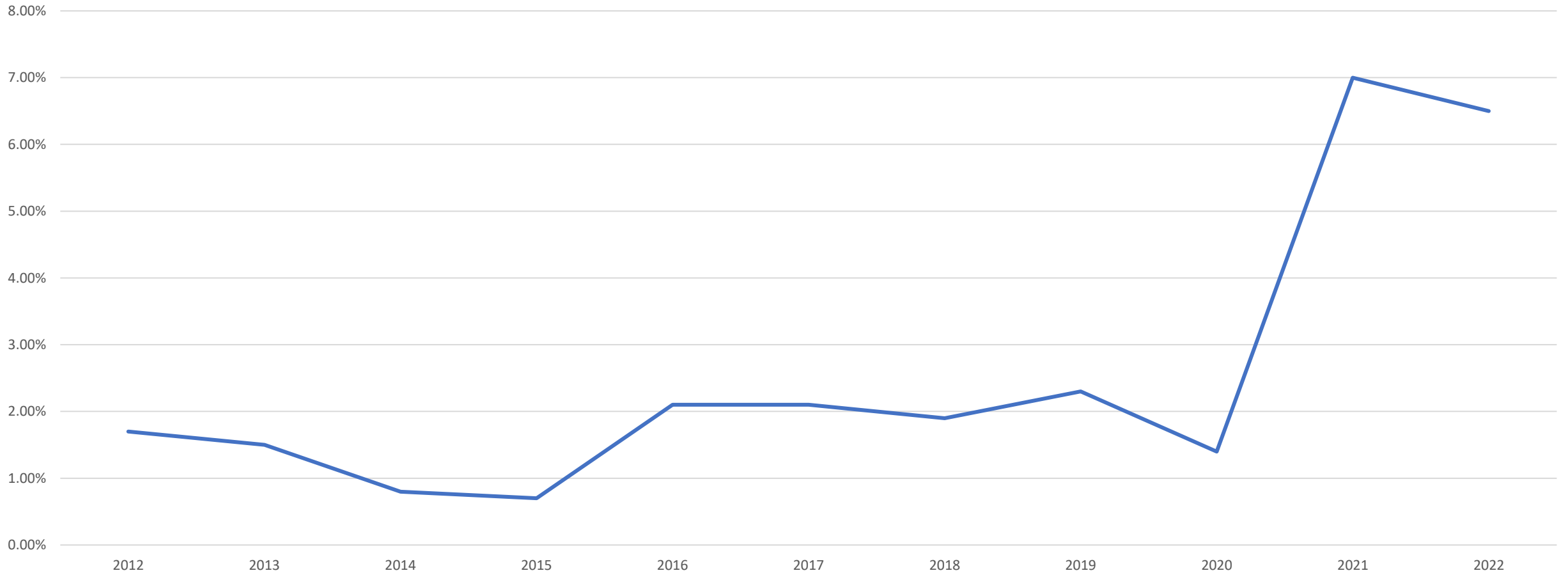
- Enforce Title 14 of City Code
 - Publish posters, notices, and other resources for businesses
 - Conduct education & outreach to community
 - Investigate possible wage violations
 - Enforce payment of fines and back wages



10-year Inflation Detail



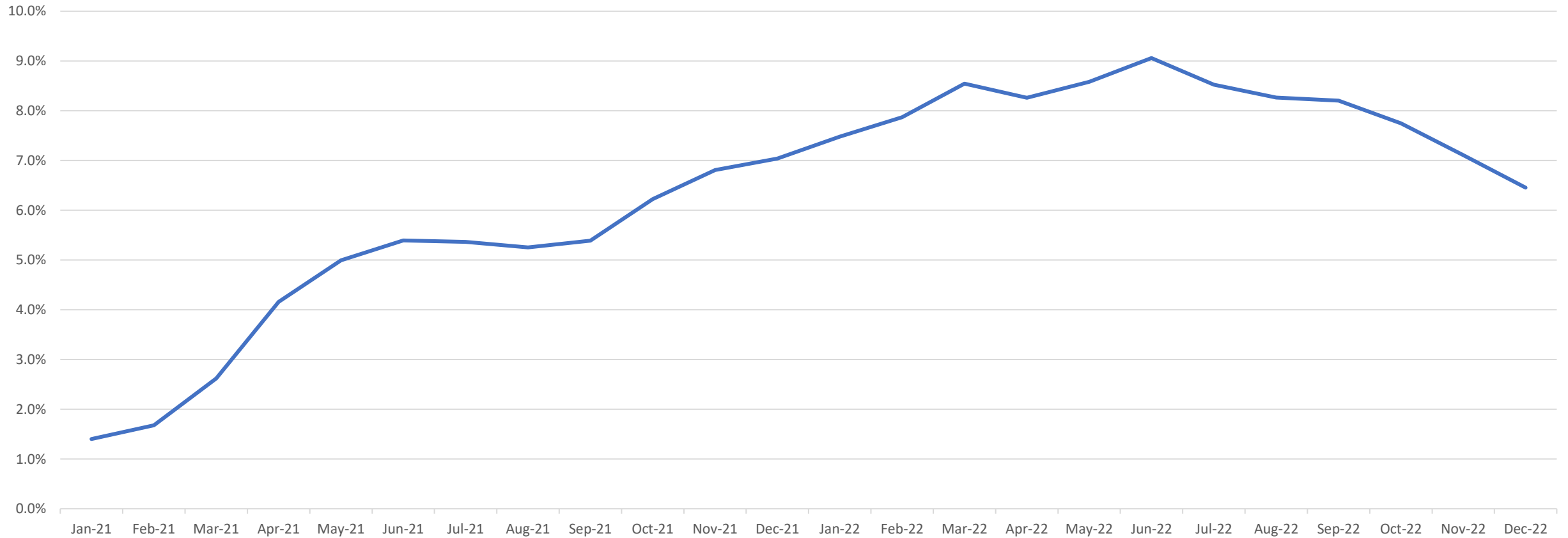
2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
1.7%	1.5%	0.8%	0.7%	2.1%	2.1%	1.9%	2.3%	1.4%	7.0%	6.5%





2-year Inflation Detail (Annual)

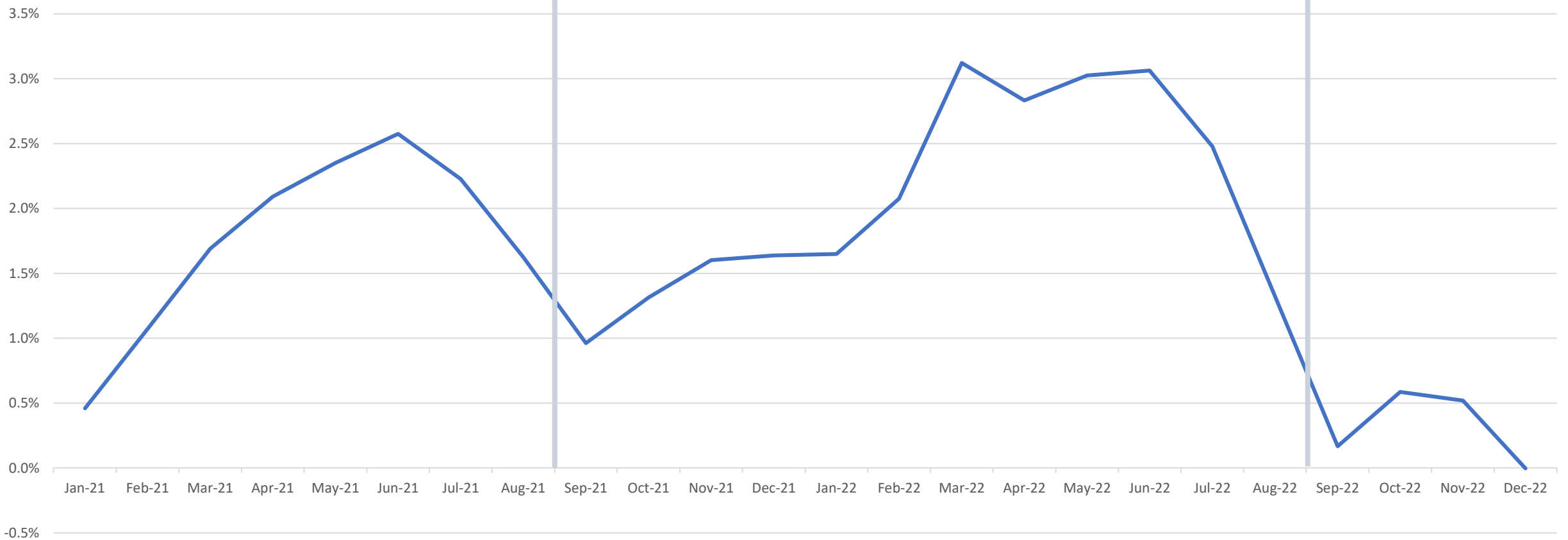
2021												2022											
Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
1.4%	1.7%	2.6%	4.2%	5.0%	5.4%	5.4%	5.3%	5.4%	6.2%	6.8%	7.0%	7.5%	7.9%	8.5%	8.3%	8.6%	9.1%	8.5%	8.3%	8.2%	7.7%	7.1%	6.5%





2-year Inflation Detail (3 month)

2021												2022											
Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
0.5%	1.1%	1.7%	2.1%	2.4%	2.6%	2.2%	1.6%	1.0%	1.3%	1.6%	1.6%	1.6%	2.1%	3.1%	2.8%	3.0%	3.1%	2.5%	1.3%	0.2%	0.6%	0.5%	0.0%





2024 Minimum Wage

- Significantly reduced inflation since Sept 2022
- Current CPI: 6.4% (Jan)
- Aug – Jan Inflation: 1.0%
 - Average: 0.2% per month
 - 12-Month Pace: 2.4%
- 1 Year Ago:
 - Aug – Dec Inflation: 1.9%
 - Average: 0.48% per month

12 Month Pct Change	Potential Min Wage
1%	\$ 16.95
2%	\$ 17.15
3%	\$ 17.30
4%	\$ 17.45
5%	\$ 17.65
6%	\$ 17.80
7%	\$ 18.00
8%	\$ 18.15
9%	\$ 18.30
10%	\$ 18.50



2022 OLS Cases



- 3 formal cases
 - Substantiated allegations made by 2 filers
 - Recovered \$1205.17 on behalf of filers



2022 Outreach



- Direct Business Contact
 - Written notice via e-mail and USPS
 - Sent to approximately 3800 licensed businesses
 - Met with & Presented to 4 local business organization
- Social Media
 - Posts in English & Spanish
- Radio
 - Radio ads on 11 local stations in English, Spanish, and Navajo
- Print
 - Print ads in three local publications in English & Spanish



2022 and Future OLS Activities

- Improved accessibility of Complaint Declaration Form
 - Made all versions bi-lingual
 - Electronic form is accessible to visually impaired
- Aggregated data on all OLS cases
- Established new connections with local organizations
- Will seek more contact with groups representing employees
 - Would like to have presence at more events & job fairs

CITY OF FLAGSTAFF STAFF SUMMARY REPORT

To: The Honorable Mayor and Council
From: Rick Tadder, Management Services Director
Date: 03/08/2023
Meeting Date: 03/14/2023



TITLE:

Council Discussion on Petition to Flagstaff City Council titled: Climate Emergency: Stop the Money Pipeline.

DESIRED OUTCOME:

Discussion related to the City's banking contract with Wells Fargo specific to the petition request. Allow staff to continue to manage our banking services under the procurement requirements in order to remain compliant with the Procurement Code as adopted by City Council.

EXECUTIVE SUMMARY:

On May 17, 2022, City Council discussed the Petition to Flagstaff Council titled Climate Emergency: Stop the Money Pipeline. The petition states: "We request that the Flagstaff City Council instruct the City's financial managers to move the City's banking from Wells Fargo, one of the world's top financiers of the fossil fuel industry, to a Community Bank or Credit Union." At that meeting at least three City Councilmembers agreed to have further discussion.

City staff will inform City Council about the Wells Fargo banking services, Wells Fargo's commitment to Climate Action, and Wells Fargo as a community bank.

INFORMATION:

On December 17, 2021, the City entered into a Cooperative Purchase Contract, No. 202-47, with Wells Fargo Bank for banking services. The City utilized a Cooperative Purchasing Agreement (#B20-01-030) which was procured by Navajo County to supply materials and/or services, and was awarded through a competitive and open procurement process. The City has authority to enter into a cooperative purchase contract with Wells Fargo utilizing the Agency Contract pursuant to Arizona law. The term of the Cooperative Purchase Contract is for an initial term through June 30, 2023 with options for two one-year extensions.

The City chose to enter into this banking services contract with Wells Fargo due to the outstanding services that have been provided to the City for over three decades. As the City has grown over the decades, Wells Fargo has been able to provide the adjust and add services a government needs to run their finances. They have also been a partner in looking at City business practices and make recommendations to improve our management of financial transactions. We hope to continue this strong partner for many years.

Attachments: [Petition: Climate Action: Stop the money pipeline](#)

Cooperative Contract for Banking Services

Presentation

CO2eMission Executive Summary

CO2eMission Methodology

Wells Fargo Task Force Climate Disclosure

Community Letter

Wells Fargo Environmental Social Governance Report - September 2022

PETITION TO FLAGSTAFF CITY COUNCIL
 Pursuant to Flagstaff City Charter Article II Section 17
 and Flagstaff City Code Title I Chapter 12

RECEIVED
 MAY 03 2022
 BY: *[Signature]*

Pursuant to the Flagstaff City Charter and the City Code, any citizen (resident) of the City may present a written petition to the City Manager, signed by a minimum of 25 citizens from the City of Flagstaff, which shall be presented to the City Council.

Title of Issue: Climate Emergency: Stop the Money Pipeline

Action Requested: We request that the Flagstaff City Council instruct the City's financial managers to move the City's banking from Wells Fargo, one of the world's top financiers of the fossil fuel industry, to a Community Bank or Credit Union.

Printed Name of Submitter: Kim Curtis (Submitter must also sign below and complete information)

Contact Information: 928 699-0758 ; kfoscourt@gmail.com

(Phone Number and/or e-mail address)

PETITION SIGNATURES

DATE SIGNED	PRINTED NAME	RESIDENCE ADDRESS	SIGNATURE
3/30/22	Kim Curtis	1805 N. Beaver St. ⁸⁶⁰⁰¹ Flagstaff	<i>[Signature]</i>
3/30/22	Michael Caulkins	1801 N. Thistle Rd. ⁸⁶⁰⁰⁴ Flagstaff	<i>[Signature]</i>
3/30/22	Nina Porter	1705 N. ⁸⁶⁰⁰¹ San Francisco St. Flagstaff	<i>[Signature]</i>
3/30/22	Lia Meln	711	
3/30/22	PETER FRIEDERICI	713. W. GRAND CANYON AVE. FLAGSTAFF AZ 86001	<i>[Signature]</i>
3/30/22	Gerald Wood	468 W CATTLE DRIVE TRAIL, 86005	<i>[Signature]</i>
3/30/22	Leah Mundell	2226 N. Lantern Ln. ⁸⁶⁰⁰¹ Flagstaff	<i>[Signature]</i>
3/30/22	Robert Neustadt	3960 El Arroyo Way, ⁸⁶⁰⁰⁴ Flagstaff	<i>[Signature]</i>
3/30/22	Bruce Hunsate	1730 N. Kithledge ⁸⁶⁰⁰¹ Flagstaff	<i>[Signature]</i>
3/30/22	Jane Morales	1730 N. K. Hodge ⁸⁶⁰⁰¹ Flagstaff	<i>[Signature]</i>

RECEIVED BY CITY OF FLAGSTAFF

DATE RECEIVED BY COUNCIL MEETING DATE 02/20/10

PETITION TO FLAGSTAFF CITY COUNCIL (Continued)

TITLE OF ISSUE: Climate Emergency: Stop the Money Pipeline		PAGE	OF
DATE SIGNED	PRINTED NAME	RESIDENCE ADDRESS	SIGNATURE
3-30-22	Amber King	13 1/2 W Elm Ave ^{Flag AZ 86001}	
3/30/22	Shayla Liggins	2500 S Huffer Ln ⁸⁶⁰⁰¹	
3/30/22	Davis Ray	1200 S Riordan Ranch ⁸⁶⁰⁰¹	
3/30/22	Ben Coulton	927 W. Forest Meadows ⁸⁶⁰⁰¹	
3/30/2022	CADEN WILFERT	2543 S ECLIPSE LN ⁸⁶⁰⁰¹	
3/30/2022	Nadia Saleem	9 W University Drive ⁸⁶⁰⁰¹ Mckay Village Flagstaff, AZ	
3/30/2022	Aubriana Hudiburgh	676 E Zuni drive Apt B ⁸⁶⁰⁰⁵	
3/30/2022	Jacob Mann	5303 E Cortland Blvd, Apt D08 ⁸⁶⁰⁰⁴	
3/30/2022	TEO MARTINEZ	2620 N CENTER ^{Flag 86004}	
3/30/2022	Jady Kralovic	215 W Phoenix Ave ⁸⁶⁰⁰¹	
3/30/2022	Alder Keleman Saxena	1227 1/2 Curtis Ct. ^{Bellemont, AZ 86005}	
3/30/2022	Jill L. Weren	1302 E. Cortland Blvd ^{Flagstaff AZ 86001}	
3/30/2022	Reilly Caldwell	997 E Pine Knoll, Flagstaff AZ 86001	
3/30/2022	Ariannah Carresa	215 W Phoenix Ave ⁸⁶⁰⁰¹	
3/30/2022	Wina Fawcett	1350 S Knoler Dr ⁸⁶⁰⁰¹	
3/30/2022	Mariessa Fowler	1200 S Beaver St. Flagstaff ⁸⁶⁰⁰¹	
3/30/2022	Makairyn Marks	2500 W Route 66 lot 110 ⁸⁶⁰⁰¹	
3/30/2022	Brayden Kohler	18 S Trail of the Woods ⁸⁶⁰⁰¹	
3/30/22	Christine Dyer	1630 E Zee Way ⁸⁶⁰⁰¹	
3/30/22	Fawn Toyne	2913 N West St ⁸⁶⁰⁰⁴	
3/30/22	Taryn Bell	5705 E Cortland Blvd Apt 104 ⁸⁶⁰⁰⁴	
3/30/22	Sara Sprague	700 W University Ave ⁸⁶⁰⁰¹	
3/30/22	Sydney Rittershaus	200 W Univ	

PETITION TO FLAGSTAFF CITY COUNCIL
Pursuant to Flagstaff City Charter Article II Section 17
and Flagstaff City Code Title I Chapter 12

Pursuant to the Flagstaff City Charter and the City Code, any citizen (resident) of the City may present a written petition to the City Manager, signed by a minimum of 25 citizens from the City of Flagstaff, which shall be presented to the City Council.

Title of Issue: Climate Emergency: Stop the Money Pipeline

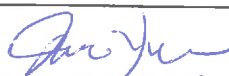
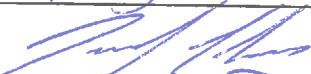


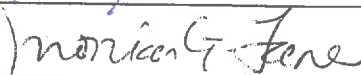
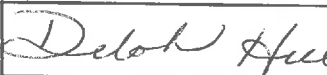

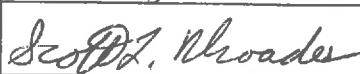
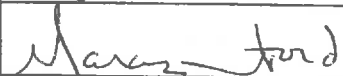

Action Requested: We request that the Flagstaff City Council instruct the City's financial managers to move the City's banking from Wells Fargo, one of the world's top financiers of the fossil fuel industry, to a Community Bank or Credit Union.

Printed Name of Submitter: Kim Curtis (Submitter must also sign below and complete information)

Contact Information: 928 699-0758 ; kfoscourt@gmail.com

(Phone Number and/or e-mail address)

PETITION SIGNATURES

DATE SIGNED	PRINTED NAME	RESIDENCE ADDRESS	SIGNATURE
4/10/22	Jennifer Vargas	1195 Springst ⁸⁶⁰⁰¹	
4/10/22	Jack Flaccus	119 S Spring St ⁸⁶⁰⁰¹	
4/10/2022	Dyan Ward	804 N. Leroux ⁸⁶⁰⁰¹	
4/11/2022	CHRISTOPHER FLACCUS	1021 N HOPI DR, FLAGSTAFF ⁸⁶⁰⁰¹	
4/30/2022	Monica Lane	419 N. Kendrick St. ⁸⁶⁰⁰¹	
4/30/2022	Deborah Hill	1625 W Lakeview Ln ⁸⁶⁰⁰⁴	
4/30/22	Nancy Rhoades	331 E. Papago Dr. ⁸⁶⁰⁰⁵	
4-30-22	Scott Rhoades	331 E. Papago Dr. ⁸⁶⁰⁰⁵	
4.30.22	MARCUS FORD	1021 N. Navajo ⁸⁶⁰⁰¹	
4-30-22	LAURA SHEARIN	1120 W Azure Dr ⁸⁶⁰⁰¹	

RECEIVED BY CITY OF FLAGSTAFF

DATE RECEIVED BY COUNCIL MEETING DATE ~~02/2016~~

PETITION TO FLAGSTAFF CITY COUNCIL
Pursuant to Flagstaff City Charter Article II Section 17
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(Phone Number and/or e-mail address)

PETITION SIGNATURES

DATE SIGNED	PRINTED NAME	RESIDENCE ADDRESS	SIGNATURE
3/30/22	Mega Falkerts	14 W Banta ⁸⁶⁰⁰¹ Flagstaff AZ	
3/30/22	Sullivan Moore	901 S O'Leary St, Apt 72, Flagstaff ⁸⁶⁰⁰¹ AZ	
3/30/22	Kiya Dewey	1200 S. ⁸⁶⁰⁰¹ River Jan ^{Flagstaff} AZ	
3/30/22	Ryan Murphy	305 E McConnell Dr ⁸⁶⁰⁰¹	
3/30/22	Oceanna Boulanger	416 S. Leroux St. ⁸⁶⁰⁰¹	
3/30/22	Tom Jackson	709 46	
03/30/22	Rashell ^{Mojira} Sanchez	215 W. Phoenix Ave ⁸⁶⁰⁰¹	
03/30/22	Bra Alvarez	803 E Kensington ⁸⁶⁰⁰¹	
03/30/22	Jonathan Michel	15555 N Frank Lloyd Wright ⁸⁵²⁶⁰	
03/30/22	Sarah Tabak	^{Scotts} 1299 E Makayla Way ⁸⁶⁰⁰¹ ST	

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RECEIVED BY CITY OF FLAGSTAFF

DATE RECEIVED BY COUNCIL MEETING DATE 04/20/22

PETITION TO FLAGSTAFF CITY COUNCIL
Pursuant to Flagstaff City Charter Article II Section 17
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(Phone Number and/or e-mail address)

PETITION SIGNATURES

DATE SIGNED	PRINTED NAME	RESIDENCE ADDRESS	SIGNATURE
4/23/22	Jeremiah Sammartino	1309 N. McMillan Rd Flagstaff, AZ 86001	
4/23/22	Mark Alexander	7860 E GEMINI DR FLAGSTAFF, AZ 86004	MARK ALEXANDER
4/23/22	Bruce Nordstrom	1600 N. MARIPOSA RD Flagstaff AZ 86004	BRUCE NORDSTROM
4/23/22	Bruce Nordstrom	1600 N. MARIPOSA RD Flagstaff AZ 86004	Bruce Nordstrom
4-23-22	Joan Nordstrom	1600 MARIPOSA RD Flagstaff, AZ 86004	Joan Nordstrom
4/23-22	Shawn Newell	3308 N. Grandview Dr. Flagstaff, AZ 86004	Shawn Newell
4-23-22	KARINA SAMPSO	3828 N Steve Blvd Flagstaff 86004	K Sampson
4/23/2022	MICHAEL SLATTERY	3828 N. STEVES BLVD FLAGSTAFF 86004	M Slattery
4/23/22	Kiley Feld	211 S LeVoux #3 Flagstaff AZ 86001	Kiley Feld
4/23/22	Paige Strickland	997 EPINE Knoll PK	Paige Strickland

RECEIVED BY CITY OF FLAGSTAFF

DATE RECEIVED BY COUNCIL MEETING DATE 02/20/2024

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PETITION SIGNATURES

DATE SIGNED	PRINTED NAME	RESIDENCE ADDRESS	SIGNATURE
4/23/2022	Michael Vasquez	3700 W. ⁸⁶⁰⁰⁴ Goodwin Dr	
4/23/2022	Amy Bourne	3300 W. ⁸⁶⁰⁰¹ Montezuma Dr Flagstaff AZ	
4/23/2022	Dorothy Hoagland	2530 N ⁸⁶⁰⁰⁴ SpaeT Cloverway	
4/23/22	Ryan Moreno	716 W. ⁸⁶⁰⁰¹ Santa Fe Ave	
4/23/22	Dan Spire	3935 Valle Rd ⁸⁶⁰¹¹	
4/23/22	Russell Wilson	1619 N ⁸⁶⁰⁰⁶ Kitch Dr	
4/23/22	Sophia Swainson	1105 E ⁸⁶⁰⁰¹ Ponderosa Pkwy	
4/23/22	Taryn Bell	5205 E ⁸⁶⁰⁰⁴ Cortland Blvd Apt 204	
4/23/22	Jonathan Mills	29554 N. ⁸⁶⁰¹¹ Coniferwood Dr	
4/23/22	David Wessel	9682 Pioneer Valley Rd ⁸⁶⁰⁰⁴	

RECEIVED BY CITY OF FLAGSTAFF

DATE RECEIVED BY COUNCIL MEETING DATE 04/20/22



PETITION TO FLAGSTAFF CITY COUNCIL (Continued)

TITLE OF ISSUE: Climate Emergency: Stop the Money Pipeline PAGE OF

DATE SIGNED	PRINTED NAME	RESIDENCE ADDRESS	SIGNATURE
4/22/22	Maudlin Gonzales	1965 N. Main St 86004	
4/23/22	Adrian Smith	4025 Lake Mary rd 86005	
4/23/22	Richard Conway	75 E Camille Dr, 86005	
4/23/22	Helen Beelen	813 W University Ave ⁸⁶⁰⁰¹ Apt. 301	
4/23/22	Kainoa Kelly	214 W Sullivan Ave ⁸⁶⁰⁰¹	
4/23/22	Sylvia Struss	2603 E Elder Dr. 86004	
4/23/22	Tianna Guglielmo	1401 S. Millis Ln. 86001	
4/23/22	Sara Daniele	10116 W Montecito Ave ⁸⁶⁰¹¹	
4/23/22	Emily J. Renn	2220 E Hemberg Dr, ^{Flagstaff} 86004	Emily J Renn
4/23/22	Deborah Dewolfe	102 S We Riles St ⁸⁶⁰¹¹ Apt D	Deborah Dewolfe
4/23/22	Lindsey Thornton	9 W University Dr ⁸⁶⁰⁰¹	
4/23/22	Bryan Moss	35 E Judy St 86004	
4/23/22	Jamie Paul	417 Comanche 86005	
4/23/22	JAN KERSTA	3707 N. MANOR 86004	
4/23/22	Andrew Hartley	323 N. Kendrick 86001	
4/23/22	Alexis Nelson	4015 N. Gowin Cir ⁸⁶⁰⁰⁴	
4/23/22	Amy Beletti	3575 N. Schevene ⁸⁶⁰¹⁴	
4/23/22	Darren Bingham	404 W. Santa Fe Ave ⁸⁶⁰⁰¹	
4/23/22	Cara Corbin	2318 N Isabel St ⁸⁶⁰⁰⁴	Cara Corbin
4/23/22	DUNCAN ORR	620 N San Francisco St ⁸⁶⁰⁰¹	
4/23/2022	Melissa Eckstrom	720 Birch Ave ^{Flagstaff} ⁸⁶⁰⁰¹	
4/23/2022	Burrell Jones	120 Leupp Rd ⁸⁶⁰⁰⁴	
4/23/2022	Madison Crozier	5005 East Chestnut Way ⁸⁶⁰⁰⁴	

PETITION TO FLAGSTAFF CITY COUNCIL (Continued)

TITLE OF ISSUE: Climate Emergency: Stop the Money Pipeline

DATE SIGNED	PRINTED NAME	RESIDENCE ADDRESS	PAGE	OF	SIGNATURE
4-23-22	Samantha Gallegos	2321 N First St. 86004			
4-23-22	El Chamberlaina	2741 W Lynette Dr 86001			
4-23-22	Jessica M. Vreece	1907 W University Heights 86005			
4-23-22	Natalie Jacobs	604 N. San Francisco 86001			
4-23-22	Andrew Brodd	305 E McConnell 86001			
4-23-22	Maclovio Corrales	2020 W. Alaska Ave 86001			
4-23-22	Cynthia Gonzalez	408 E Birch Ave 86001			
4-23-22	Thomas J. Jers	725 E Lewis Dr 86004			
04/23/22	TARA ROARK	3128 N. Grandview Dr 86004			
04/23/22	Sara Day	6197 E Olson Dr. 86004			
04/23/22	Robert + Baez	6197 E Olson Dr 86004			
04/23/22	Clarice Linskey	2740 W. Durleen Dr 86001			
04/23/22	Debra McMillan	4439 N Nylor Dr 86004			
04/23/22	Samantha Meier	2821 N. Rose St 86004			
4/23/22	Sydney Shervett	3855 E SIOUX DR. 86004			
4/23/22	Jordan Hollinger	1651 N Gemini unit 86 86001			
4/23/22	Art Bubbitt	421 N Cedar 86001			
4/23/22	Caleb A Phillips	1731 E Arrowhead Way 86004			
4/23/22	Kayla Smith	1124 E Linda Vista Dr 86004			
4/22/22	LIBBY STORTZ	3240 W. Shannon Dr 86001			
4/22/22	Scott Goetz	2467 N. ELK Rd 86004			
4/22/22	SARAH HOLDITCH	116 E ELM AVE 86001			
4/23/22	Jen Roberts	4661 Bellemont Spgs 86015			

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PETITION TO FLAGSTAFF CITY COUNCIL
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Contact Information: 928 699-0758 ; kfoscurt@gmail.com

(Phone Number and/or e-mail address)

PETITION SIGNATURES

DATE SIGNED	PRINTED NAME	RESIDENCE ADDRESS	SIGNATURE
3/30/22	Sara Shuman	4815 E Saddle Ave Flagstaff, AZ 86004	<i>[Signature]</i>
3/30/22	Mariessa Fowler	1200 S Bearer Flagstaff, PO BOX 14694 AZ 86004	<i>[Signature]</i>
3/30/22	ERIC SOUDERS	7880 N Rain Valley Rd 86004	<i>[Signature]</i>
3/30/22	Kathleen Flaccus	1021 N Hopi Dr 86001	<i>[Signature]</i>
3/30/22	Hope Garter	4530 E. Ascena 86004	<i>[Signature]</i>
3/30/22	Sydney Ritterhaus	700 W University Ave 86001	<i>[Signature]</i>
3/30/22	Keara Htudler	800 W. Forest Meadows St. 86001	<i>[Signature]</i>
3/30/22	Olivia Dunn	1500 S San Francisco St. Flagstaff AZ 86001	<i>[Signature]</i>
3/30/22	DAVID R MCAN	515 W CHEROKEE AVE APT B FLAGSTAFF AZ 86001	<i>[Signature]</i>
3/30/22	Nora Timmerman	220 W. Juniper Ave. Flagstaff AZ 86001	<i>[Signature]</i>

RECEIVED BY CITY OF FLAGSTAFF

DATE RECEIVED BY COUNCIL MEETING DATE 02/20/20



COOPERATIVE PURCHASE CONTRACT

Contract No. 2022-47

This Cooperative Purchase Contract ("Contract") is made and entered into this 17th day of December, 2021 by and between the City of Flagstaff, Arizona, a political subdivision of the State of Arizona ("City"), and Wells Fargo Bank, N.A. ("Contractor").

RECITALS:

- A. Contractor has a Cooperative Purchasing Agreement (#820-01-030) which was procured by Navajo County to supply materials and/or services ("Agency Contract"), and was awarded through a competitive and open procurement process; and
- B. The City has authority to enter into a cooperative purchase contract with Contractor utilizing the Agency Contract pursuant to Arizona law.

AGREEMENT:

NOW THEREFORE, in consideration for the mutual promises contained herein, the parties agree as follows:

1. Services Purchased: Contractor shall provide to City the banking and treasury management services, as specified in the Agency Contract, attached hereto as Exhibit A. A general description of services being purchased is:

Bank Servicing

2. Payment: Payment to the Contractor for the materials and or services provided in an amount not to exceed forty thousand dollars (**\$40,000.00**) **including other fees and taxes**; made in accordance with the price list and terms set forth in the Agency Contract.

Terms and Conditions of Agency Contract Apply: All provisions of the Agency Contract are incorporated in and shall apply to this Contract as though fully set forth herein. Notwithstanding the above, as the Agency Contract allows pricing on the Contract to be customized as a result Navajo County's acceptance of Wells Fargo Bank N.A.'s Response to Request for Proposal for Bank Servicing Agreement, the pricing for the Contract is set forth in Exhibit B. For the avoidance of doubt, the Contract will not be affected by any subsequent amendments to or termination of the Agency Contract, which will be applicable solely to the relationship between Navajo County and Contractor. Any subsequent amendment or modification to the Contract must be made in accordance with the terms hereof and would be subject to any applicable restriction or limitation under applicable law. For the sake of clarity, the parties acknowledge that the document that is referred in Section 1 of the Agency Contract as "Bank Services Agreement, Contract, # 820-01-30" is attached as Exhibit C to the Contract and is described as "Bank Servicing Agreement".

3. Certificates of Insurance: All insurance provisions, as attached to the Agency Contract in the Certificates of Insurance, shall apply, including any requirement to name the City as an additional insured.
4. Term: This Cooperative Purchase Contract shall commence upon execution by the parties and shall continue until June 30, 2023 with the option to renew for two (2) one-year extensions on the mutual consent of City and Contract, unless sooner terminated by City or by Contractor in writing, in accordance with the terms of the Agency Contract.

Wells Fargo Bank, N.A.

By: Stephany Slider

Title: Vice President

CITY OF FLAGSTAFF

By: _____

Title: Greg Clifton, City Manager

ATTEST:

City Clerk

APPROVED AS TO FORM:

City Attorney's Office

EXHIBIT A
AGENCY CONTRACT & SCOPE OF WORK

The Scope of Work for the Bank Servicing Cooperative Purchase Contract can be found in the Navajo County RFP: 820-01-030) and Wells Fargo Bank N.A.'s Response to Request for Proposal for Bank Servicing Agreement (including Appendix).

Attached:

Navajo County RFP: 820-01-030 (45 pages).

Wells Fargo Bank N.A.'s Response to Request for Proposal for Bank Servicing Agreement (including Appendix). (95 pages)

Eligibility for Cooperative Purchasing Form: (1 page)

Navajo County Contract with Wells Fargo: (7 pages)

Notices: All notices to City shall be sent to:

Liane Garcia
Buyer
Purchasing Department
211 W. Aspen Ave.
Flagstaff, Arizona 86001
(928) 213-2279
lgarcia@flagstaffaz.gov

All notices to Contractor shall be sent to:

Stephany Jordan-Slider
Vice President/Principal Relationship Manager
Wells Fargo Local Government Banking
2410 S. Power Road
Floor 01/ MAC#S3937-010
Mesa, AZ 85209
480-215-2969
stephany.jordan@wellsfargo.com

NAVAJO COUNTY BANK SERVICES AGREEMENT (RFP)

CONTRACT NUMBER: B20-01-030

NAVAJO COUNTY

PO BOX 668
Holbrook, AZ 86025

BOARD OF SUPERVISORS

Lee Jack, Sr., District I
Jesse Thompson, District II
Jason E. Whiting, District III
Daryl Seymore, District IV
Dawnafe Whitesinger, District V

COUNTY MANAGER

Glenn Kephart, P.E.

CLERK OF THE BOARD

Melissa Buckley



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NAVAJO COUNTY
NOTICE OF REQUEST FOR PROPOSALS
RFP NO. B20-01-030

BANK SERVICING AGREEMENT

The Navajo County Board of Deposits (Supervisors) and the Treasurer of Navajo County (“Treasurer”) are requesting proposals from qualified banks doing business in Arizona with at least one branch located in Navajo County to perform the duties of a servicing bank, which duties are outlined in this document. The servicing bank shall act as the principal depository and banking agent for the Navajo County Treasurer’s Office for the period of July 1, 2020 through June 30, 2023 with an option to renew for one (1) two-year extension on the mutual consent of the parties.

INTERESTED OFFERORS MAY OBTAIN A COPY OF THIS SOLICITATION BY CALLING (928) 524-4100 OR MAY PICK UP A COPY OF THE PROPOSAL PACKAGE AT 100 W. PUBLIC WORKS DR., P.O. BOX 668, HOLBROOK, ARIZONA 86025 AT THE PUBLIC WORKS DEPARTMENT, OR MAY DOWNLOAD THE PACKAGE AT: <http://www.navajocountyaz.gov/Departments/Finance/Procurement>.

Competitive sealed proposals for the specified material or service shall be received by the Clerk of the Board of Supervisor’s Office, 100 East Code Talkers Drive, Holbrook, Arizona 86025, until the time and date shown below. Proposals received by the correct time and date shall be publicly recorded. Navajo County takes no responsibility for informing recipients of changes to the original solicitation document. Failure to submit amendments with the solicitation response may be grounds for deeming the submittal non-responsive.

Proposals must be in the actual possession of the Clerk of the Board of Supervisor’s Office at the location indicated, on or prior to the exact time and date indicated below. Late proposals shall not be considered. The official prevailing clock is located in the Clerk of the Board of Supervisor’s Office. Proposals shall be delivered to Navajo County at the place, time and date indicated on the RFP.

Proposals must be submitted in a sealed envelope. The **RFP number** and the **proposer’s name and address** should be clearly indicated **on the outside** of the envelope. Failure to clearly indicate RFP number, name and address on the outside of the proposal package or envelope may be cause for the proposal to be deemed invalid. All proposals must be completed in ink or typewritten. Questions must be in writing and addressed to the Purchasing Agent listed below.

RFP NUMBER:	B20-01-030
RFP DUE DATE:	MARCH 31, 2020 AT 3:00 P.M. LOCAL AZ TIME
PUBLIC OPENING DATE:	MARCH 31, 2020 AT 3:15 P.M. LOCAL AZ TIME
	SUBMITTAL LOCATION: Clerk of the BOS Office
	100 East Code Talkers Drive
	Holbrook, Arizona 86025

DIRECT WRITTEN QUESTIONS TO:	Cheryl Hollins, Sr. Account Specialist
	(928) 524-4100
	cheryl.hollins@navajocountyaz.gov

Holbrook Tribune
02/12/2020 & 02/19/2020 - Publish Date(s)

2.2 WARRANTS

2.2.1 The County currently uses encoded warrants. Regular, or “encoded warrants,” are computer produced, colored and micro-encoded in magnetic ink. We would like to encode warrants using HOP (High Order Prefix) in order to identify the Entity issuing the warrant. In addition, the extra encoding will reduce problems associated with overlapping warrant numbers. Servicing bank must explain how they will provide this service. The classifications we would like to include are:

<u>Classification</u>	<u>Warrant Use</u>
1.	Navajo County (1)
2.	Schools (17)
3.	Fire Districts (9)
4.	Community College (1)
5.	Public Fiduciary (1)
6.	Special Districts (9)

2.2.2 Encoded Warrant Processing

Encoded warrants shall be sorted and imaged by the servicing bank in sequence by type, year and warrant number and made available for electronic download via the internet using at least 128 bit SSL encryption:

2.2.2.1 The servicing bank shall provide daily detail of the warrants submitted to the bank for processing and provide the capability to the Treasurer’s office to download the warrants electronically to the Treasurer’s system on a daily basis in a manner that meets Treasurer’s specification for file compatibility and security. See EXHIBIT 1 for file layout. The transmission must meet the technical specifications necessary to be read by the Treasurer’s data processing equipment. When applicable, the Treasurer will transmit data via fax or electronically to the bank showing warrants that must be registered by 1:00 p.m. MST for the previous day’s warrants.

2.2.2.2 The warrants, transmittal listing and images must be made available, in warrant number sequence, to the Treasurer electronically, daily by 8:00 a.m. MST. Further, in the event of an Internet outage, the servicing bank must provide an alternate method for delivering the warrant listing and amount to the Treasurer. Once the outage is resolved, the e-file must be made available within one business day. (The Treasurer currently uses the “Infinity Visions Treasurer’s Ledger System,” but anticipates transitioning to a new ledger system during the initial contract term. The servicing bank must show the ability to adapt to the new Treasurer’s ledger system.)

2.2.2.3 The warrants are charged against one (1) clearing account; The Treasurer pays the bank, via wire transfer, book transfer or Treasurer’s check, prior to 3 p.m. MST each workday for the total warrants processed, less any registered warrants or “suspect items”.

- 2.2.2.4 The servicing bank must provide a dedicated contact individual(s) for researching banking issues especially with regard to warrants. The contact individual(s) must be available Monday through Friday between the hours of 8:00 a.m. and 5:00 p.m. Arizona time.
- 2.2.2.5 The servicing bank must have the capability to image the encoded warrants and provide a solution for the image to be read and stored on the Treasurer's system.

2.2.3 Warrants

2.2.3.1 Warrants must be presented to the Treasurer for payment the following business day. The presentation must be electronic and sorted by political subdivision in numerical order. The Contractor must include Record Code, Cleared Date Warrant Number, and Amount Paid. Additional data may be required by the Treasurer. If the image submitted to the Treasurer is not legible, a readable copy must be provided at no additional cost. If a legible copy cannot be provided, then the warrant will not be considered properly presented and will not be paid. Credit must be provided to the treasurer for any missing warrants. Investments must be registered in Navajo County's name. A listing of all paid warrants in numerical order sorted by political subdivision, including a total of warrants paid by each political subdivision and a grand total of all warrant paid must be provided. A primary service representative must be located in Arizona and be able to resolve any discrepancies or facilitate resolution of any discrepancies within three working days. All investment transactions must be settled Delivery vs. Payment.

2.2.3.2 By statute (ARS§11-644) a check that is drawn by the County Treasurer in the Treasurer's official capacity or a warrant that is not presented for payment within one year after the date of issuance is void. Explain how the BANK will ensure that checks or warrants that are over one year old will not be debited to the accounts of Navajo County.

2.2.4 Use of Credit Line In Lieu of "Registered" Warrants.

Upon receiving notice of being selected as the servicing bank, the Treasurer will require the servicing bank to evaluate the creditworthiness of Navajo County and specific entities, including all Fire and School Districts, within the county applying to establish a line of credit, pursuant to A.R.S. § 11-604.01(A), the amount of which will be agreed upon between the Treasurer and the servicing bank, to pay any warrants for which sufficient funds do not contemporaneously exist to cover the amount of the warrant. The amount used to cover these warrants will be treated as an advance against the line of credit and will be recorded as a borrowed amount for each district.

The use of the line of credit under this paragraph will be accomplished and recorded electronically. Such information will be transmitted to the Treasurer in a format determined by the Treasurer. As monies are received for each District, the Treasurer will calculate the amount

available to pay down the Line of Credit. The Line of Credit is paid with the respective interest calculated at the lowest possible qualified rate.

The servicing bank will state its lowest possible rate for registering warrants and/or establishing Lines of Credit, according to Title 11, Chapter 4, Article 1, Arizona Revised Statutes.

Describe any and all fees associated with setting up lines of credit.

E-files of registered warrants stating warrant number, warrant amount, date redeemed and interest, is to be provided by the servicing bank to the Treasurer's Office monthly.

2.2.5 Current Lines of Credit Established

Navajo County currently has a total commitment of approximately \$17,000,000 for twelve (12) entities utilizing a revolving credit line.

2.2.6 "Registered" Warrants

If the warrants presented exceed the cash and credit available, then the warrant in excess will register (see A.R.S. 11-635, A.R.S. 11-604.01, and A.R.S. 15-996).

The servicing bank must be able to comply with the Arizona law for registered warrants and explain how they are in compliance with the statutes.

2.3 BANKING ACCOUNTS

The Treasurer currently administers over 20 separate accounts, in addition to the servicing bank account. The collected balances on all depository accounts will be included in the monthly collected balance for our servicing account. All collected balances will be applied to our earnings credit. Any unused credits shall carry forward to future analysis billing cycles. If hard dollar charges are issued in any application, those charges must be identified to the Treasurer's Office at no cost. The Treasurer's Office will verify the bank charges. Any discrepancies will be resolved with the bank prior to submitting payment.

Navajo County currently utilizes compensating balances to pay for the majority of its services. Indicate in your RFP how earnings credits are calculated. If hard dollar charges are issued in any application, those charges must be identified at no cost. The County would like the credits to accumulate monthly but the debits to settle monthly.

2.3.1 Overdrafts

Warrant clearing accounts (see section 2.2.2.3) will have an anticipated negative balance as a result of one business day delay on the bank accepting the warrant and the Treasurer reimbursing the bank. No other fees, offsets, calculations or charges will be imposed on these negative balances. What is the Banks timeframe for notifying the Treasurer's office of insufficient funds and return items to customers?

2.3.2 Stop Payments

The Treasurer's office currently input stop payments directly into the bank's system via electronic data processing interface. This insures the bank and the County of rapidly getting stop payments into the system.

2.3.3 Bank Balance Information

2.3.3.1 The bank must provide an electronic balance transaction reporting system, accessible by a secure on-line connection, which shall include access to all of the Treasurer's account information residing at the servicing bank. The servicing bank shall explain how long images are available for retrieval by the User on-line and the amount of time the data is stored in bank files.

2.3.3.2 Bank balances shall be available by 7:00 a.m. MST of each business day via the electronic data system.

2.3.3.3 The Treasurer shall have the ability to transfer funds between all of its accounts electronically.

2.3.3.4 The servicing bank shall provide on-line access to account balance reports, with debit and credit totals, DDA (Demand Deposit Account) cycled statements and account analysis statements with descriptions of the items on such statements.

2.3.4 Monthly Statements and Account Analysis

A monthly statement shall be prepared by calendar month and will be required to be submitted to the Treasurer by the 10th of the following month for all County accounts other than the daily statement of the servicing bank account. The monthly statement shall be available on-line by the first working day of the subsequent month. The Treasurer shall inform the servicing bank of the accounts for which the Treasurer desires a monthly statement. The Treasurer shall also identify the data to be included on the monthly statement.

The Treasurer shall be provided with an account analysis within 15 days after the end of the month. The analysis must detail all activity levels and charges for all accounts covered by any resultant Contract. Any activity information that is not part of the Contractor's standard account analysis must be provided in a supplemental report form.

The account analysis statement must be presented electronically, downloadable in a PDF or an Excel spreadsheet, at no cost to the County.

The account analysis statement must include a consolidated report summary that shows the total activity levels and charges for all County accounts. The bank must provide sufficient details (such as item counts, rates, etc.) for all activity charges. The County and its representatives shall have the right to examine any records that support the account analysis charges.

2.3.5 Overnight Sweep

The County does not currently utilize an automatic overnight DDA Sweep with all collected funds in excess of a designated balance swept into an investment fund but is interested in this process. Describe the overnight sweep account offered by the BANK including overnight investment options available to maximize the County's potential earnings. Provide historical rates on your Sweep funds for the past 12 months. The County's average balance sweep is \$15 million.

2.3.6 Conversion

Describe the overall plan your financial institution would coordinate to ensure a smooth transition from the current provider (Wells Fargo can disregard) including on-site training for the operation and use of the BANK's services and automated systems.

2.3.7 Positive Pay

Navajo County is currently on Positive Pay and desires as part of the banking evaluation process to continue Positive Pay customers. One of the problems facing the County with regard to Positive Pay is the existence of Special Districts and small Fire Districts that are not on-line computerized with the Treasurer. Describe your Positive Pay services and include possible solution on how to deal with the entities that are not on-line.

2.4 AUTOMATED CLEARING HOUSE ("ACH")

The County requires that the successful BANK provide an assigned, responsible officer and back up officer to handle the County's transactions and act as liaison to various county agencies utilizing the services of the servicing bank. The successful BANK will also ensure that a certified ACH professional with the "AAP" designation will be available for planning and implementation of electronic debit and credit transactions.

2.5 BUSINESS ACTIVITY SERVICES

The servicing bank shall also provide the following services:

- 2.5.1 Cashier's checks, drafts, domestic and foreign payment orders upon request.
- 2.5.2 Research and resolution of discrepancies to the benefit of both parties. Respond to inquiries that concern the servicing account in a timely manner.
- 2.5.3 Coordinate the ordering and printing of all encoded warrants; the cost of which shall be applied against any earnings credit, at the Treasurer's discretion.
- 2.5.4 Replace damaged, lost, or temporarily misplaced items such as documents, cash items and/or data processing media and files.
- 2.5.5 Upon request of the Treasurer, MICR encode each deposit slip with a numerically sequenced number and electronically transmit the account number, deposit number, and amount to the Treasurer.

2.6 MINIMIZING “FLOAT”

The Treasurer desires to minimize the time deposited items that are held by the servicing bank before posting to the appropriate Treasurer’s account. This is especially significant with deposits of large out-of-state checks. Accordingly, the Treasurer requires that the servicing bank describe the steps and procedures it will take to minimize this time period, otherwise known as the “float.” Additionally, describe the length of any “float” period. At a minimum, the following guidelines will apply:

- 2.6.1 For deposits of items drawn on the servicing bank, large checks (in excess of \$100,000), wire transfers, ACH deposits, cash, and coin deposits, funds shall be available on the same day.
- 2.6.2 For deposits of items drawn on any other financial institutions with branches in Arizona, funds shall be available on the next day.
- 2.6.3 For all other deposits, funds will be available based upon the most expedient Federal Reserve availability schedule.

2.7 ELECTRONIC PAYMENT VIA INTERNET (E-CHECKS/DEBIT CARDS)

As a convenience to taxpayers, and in recognition of the change in customs and practice regarding the payment of financial obligations, the Treasurer requires the ability to offer the taxpayers the capability to pay their property tax through the Internet (“on line”). Describe in detail the type of application your bank would use to accommodate this request along with the additional cost, if any, for such service. This service is to include payment by credit card, e-check, online bill-pay (ACH) and any other emerging technology that may be specifically suited toward this endeavor. The BANK will make available, in a timely manner, “dedicated” contacts for; programming, business technical support and other liaisons directly related to implementation of this service. The Treasurer’s dedicated technical liaisons will provide file layouts and record definitions as needed. (25-30 payments per day with an average of \$221.00 per transaction)

Option - Request servicing bank to provide separate P-Card (credit card) service pricing. This option is to provide P-Card service to Navajo County. The County currently uses Wells Fargo P-Cards. The County has approximately 500 P-Cards in current use with a yearly estimated usage of \$3.0M.

- Discuss and itemize all fees and costs related to the program that will be charged or withheld from the County, other agencies and vendors and how the fees will be collected.
- Rebates – Provide information on available rebates. Discuss if the County will receive rebates and the percentage of rebate offered. Offerors should state proposed percentages and on what dates(s) rebates will be paid to the County.
- Payment- Provide information on grace periods, how many days the County will have to process payments, any related fees and charges and penalties for late payments.

2.8 CREDIT CARD TRANSACTIONS

For convenience, many taxpayers desire to pay their property tax by credit card. The Treasurer is prohibited by statute from absorbing, or reducing, the amount of the property tax by the discount fee, or similar fee, charged by the credit card companies as consideration for the use of the credit card. As such, the servicing bank must be able to separately charge any requisite convenience fee imposed by a credit card company. As part of the RFP, state the maximum percent your bank would charge for such convenience fee. If this fee varies, be specific in the charges. Additionally, describe the manner by which such fee would be charged. Further, provide the discount rate the Credit Card Companies offer the BANK. At this time, Navajo County currently uses VitalChek for credit card transactions.

2.9 CURRENCY REQUIREMENTS

The servicing bank will be required to provide from time to time currency in amounts ranging from \$1,000 to \$5,000. The denominations will be specified at the time of the request. The servicing bank will be given twenty-four (24) hours notice whenever possible. The Treasurer will work closely with the security department at the servicing bank to outline precise procedures. The servicing bank will state the fees for this service.

2.10 COLLATERAL REQUIREMENTS

Collateralization will be required as per A.R.S 35-323.

This collateral may be required with same day notification. (The Treasurer will try to give the servicing bank its best estimate the day prior). Collateral must be pledged or confirmed prior to the daily delivery of deposits. Additional securities required to guarantee deposits shall be deposited immediately when the percent of market to deposits is less than 101%. (Refer to A.R.S. 35-323). Collateral for deposits must be held by the Federal Reserve Bank in the name of the Treasurer and meet all current FIRREA requirements. This includes a signed authorization from the bank's Board of Directors stating the approval and knowledge of collateral requirements, and transmittals for the County.

The County reserves the right to review all pledged collateral and approve the substitution of any item.

2.11 WIRE TRANSACTIONS

2.11.1 The servicing bank shall provide on-line and optional voice (telephone), access for all outgoing wire transfers.

2.11.2 The servicing bank shall provide repetitive wire transfer capability for all on-line and voice transfers.

2.11.3 The servicing bank shall provide detailed on-line reporting of outgoing and incoming wire transfers, including, but not limited to: the originator, the name and ABA number of the sending or receiving bank, the amount, the beneficiary name and account number and any additional instructions.

2.11.4 Internal bank and Federal reference number must be provided upon completion of outgoing wires. Serviceing bank must state whether there is

an option to modify and/or cancel outgoing future dated wires and book transfers.

2.11.5 Incoming wires must be posted and available to view on the wire transfer on-line system immediately upon receipt by the bank.

2.11.6 Controls and dollar limits must be mutually agreed upon between the servicing bank and the Treasurer.

2.11.7 The servicing bank shall identify, by name, telephone number and e-mail address, the person responsible for researching any wire transfers.

2.12 **DIRECT DEPOSIT PAYROLL PROGRAM**

2.12.1 Servicing bank shall provide a mechanism for direct deposit for the County's payroll system and shall have the ability to provide similar services for schools, special districts and fire districts.

2.12.2 Does the Bank have current plans to add or remove branches within Navajo County?

2.13 **ARMORED CAR SERVICE**

If the Treasurer requires armored car service to the Office of the Treasurer all fees for such service shall be approved and agreed to by the Treasurer prior to being implemented. The servicing bank will contract for the armored car services and pass the charge to Navajo County as a soft dollar charge, however, in no event shall a separate charge be billed to the County, directly or indirectly, for multiple "pick-ups" or stops in the same building or at the same physical address. The Pick-up/Stop locations are: Navajo County Mogollon Complex, Heber, AZ; Pinetop/Lakeside Justice Court, Lakeside, AZ; Show Low Justice Court, Show Low, AZ; Snowflake Justice Court, Snowflake, AZ; Navajo County Government, Holbrook, AZ; Winslow Justice Court, Winslow, AZ. Does the Bank have current plans to add or remove branches within Navajo County?

2.14 **TECHNOLOGICAL REQUIREMENTS**

2.14.1 The servicing bank's technology must be compatible with the Treasurer's electronic data processing equipment and software. The servicing bank must have the ability to exchange information directly with the Treasurer's information technology systems. Information to be exchanged includes, but is not limited to, warrants, deposits, account balances and other detailed information for investments and recordkeeping.

2.14.2 At the rate technology is growing and changing, Navajo County has to be able to respond in kind. The County is looking to revolutionize its communications systems with the public. The County must keep pace with private industry. It appears that in the near future the automated teller industry will be making radical changes in the area of bill payment via corresponding bank relationships or the Arizona Clearing House. The County needs to be able to piggyback on to any services such as this, which will better enhance our ability to serve the citizens of Navajo County. If at any time during the course of the contract, the Bank

incorporates new technology that will enhance the capability of Navajo County to serve the taxpayer, Navajo County reserves the right to negotiate pricing of the service for the remainder of the contract period. If at any time during the life of the contract, the successful BANK is unable to provide the County with advancements in technology that are available, Navajo County reserves the right to obtain this technology elsewhere.

2.14.3 In no event shall the servicing bank diminish or unilaterally discontinue technological services it undertakes to provide, either at the inception of the contract for banking services, or at any time throughout the contract, without providing for replacement services that are equal to, or greater than, in the sole opinion of the Treasurer, those being provided prior to such change.

2.15 IMAGING AT THE TREASURER'S OFFICE AND VARIOUS PAYMENT LOCATIONS

The Treasurer desires to capture images of payment items as they are received and processed. As such documents are physically received by Treasurer's staff an image of each document should be electronically captured. The Navajo County Treasurer currently utilizes Creditron software and hardware for payment processing. Please discuss and evaluate how your institution can utilize Creditron or equivalent system to assist with the overall banking process. If your bank will provide the equipment necessary to capture these images, please describe the equipment in detail along with any extra charges which may be imposed for the use of the equipment. If your bank does not provide such equipment, please describe if it can be leased or purchased through soft dollar earnings credits, and if so, identify the vendor and types of equipment. Additionally, provide an estimate of the amount of the soft dollar earnings credits necessary for such acquisition.

As an option, there may be other taxing districts, such as fire and school districts that may be interested in utilizing similar technology. The servicing bank should consider this option when addressing this issue.

2.16 SERVICING MULTIPLE LOCATIONS

Explain how the BANK will service all of the County's outlying locations; i.e., Heber, Show Low, Winslow, Snowflake, Holbrook, Pinetop and others.

2.17 OPTION ON CHECKS POSTED

Provide options for remote processing of deposits for the County and its outlying locations.

2.18 OPTION TO PROVIDE AN AUTOMATIC TELLER MACHINE (ATM)

Provide cost/fees to provide and service an ATM at the main Navajo County Complex in Holbrook, AZ. This will be serviced by and responsibility of the providing vendor.

2.19 INVESTMENT TRANSACTIONS - TRUST AND CUSTODY

Describe Investment services offered by the Bank (exclude overnight sweep already covered), include safekeeping services. Provide Investment Transactions pricing in Attachment D. The County currently has two (2) safekeeping accounts with approximately 250 transactions including security purchases at maturity and semi-annual interest)

INSTRUCTIONS TO OFFERORS

1. **INQUIRIES:** There is no pre-bid conference scheduled. Any questions or request for explanation of the meaning or interpretations of the contract shall be submitted no later than **12:00 p.m. M.S.T., Monday, March 23, 2020** to allow a reply to reach all bidders before submission of their Bid Proposal. If the Department determines interpretations or explanations are warranted, the response will be issued as an addendum to the Proposal Form and will be published on the County website **by end of day on Thursday, March 26, 2020**. Written request(s) shall be directed to the contact identified in the "Notice of Request for Proposals." The Offeror shall not contact or ask questions of the department for whom the requirement is being procured. Any correspondence related to a solicitation should refer to the appropriate Request for Proposals number, page and paragraph number. However, the Offeror must not place the number on the outside of an envelope containing questions since such an envelope may be identified as a sealed proposal and may not be opened until after the official proposal due time and date. Oral interpretations or clarifications will be without legal effect. Only questions answered by formal written Request for Proposals amendment will be binding.

2. **PROPOSAL FORMAT:** One original and 3 copies (4 total) and a USB drive should be submitted on the forms and in the format specified in the RFP. The original copy of the proposal should be clearly labeled "Original" and shall be unbound and single-sided. The material should be in sequence and related to the RFP. **The sections of the submittal should be tabbed, clearly identifiable and shall include a minimum of the following sections: Price, Offer and Acceptance, Original RFP, Evaluation Criteria.** The County will not provide any reimbursement for the cost of developing or presenting proposals in response to this RFP. Failure to include the requested information may be reason for a proposal to be deemed non-responsive and not considered. **Also, provide the submitted in an electronic PDF, Microsoft Word and/or Excel format – 1 copy.**

3. **PREPARATION OF PROPOSALS:**
 - A. All proposals shall be on the forms provided in this Request for Proposals package. It is permissible to copy these forms as required. Facsimiles, telegraphic proposals or mailgrams shall not be considered.
 - B. The offer and acceptance page shall be submitted with an original ink signature by the person authorized to sign the proposal. Proposal will be deemed non-responsive and rejected if offer page is not signed.
 - C. Erasures, interlineations, or other modifications in the proposal shall be initialed in original ink by the authorized person signing the vendor offer.
 - D. In case of error in the extension of prices in the proposal, unit price shall govern when applicable.
 - E. Periods of time, stated as a number of days, shall be in calendar days.
 - F. It is the responsibility of all Offerors to examine the entire Request for Proposals package and seek clarification of any requirement that may not be clear and to check all responses for accuracy before submitting a proposal. Negligence in preparing a proposal confers no right of withdrawal after due time and date.

4. **WHERE TO SUBMIT PROPOSALS:** In order to be considered, the Offeror must complete and submit their Proposal to the Clerk of the Board of Supervisor's Office at the location indicated, or prior to the exact time and date indicated on the Notice of Request for Proposals page. The Offeror's proposal shall be presented in a sealed envelope. **The words "SEALED PROPOSAL" with SERVICE DESCRIPTION, RFP NUMBER, DATE AND TIME OF PROPOSAL OPENING shall be written on the envelope.**

5. **OFFER AND ACCEPTANCE PERIOD:** In order to allow for an adequate evaluation, the County requires an offer in response to this solicitation to be valid and irrevocable for ninety (90) days after the opening time and date.
6. **REQUEST FOR ADDITIONAL INFORMATION:** The County reserves the right to request additional information from Offerors for the purpose of explaining the contents of their proposal. Any such request shall be for informational purposes only and does not constitute discussions.
7. **AWARD OF CONTRACT:** Notwithstanding any other provision of the Request for Proposals, the County reserves the right to:
 - (1) Waive any immaterial defect or informality; or
 - (2) May make multiple awards
 - (3) Reject any or all proposals, or portions thereof; or
 - (4) Reissue the Request for Proposals.

A response to any Request for Proposals is an offer to contract with the County based upon the terms, conditions, and specifications contained in the County's Request for Proposals. Proposals do not become contracts unless and until they are executed by the County's Procurement Manager. A contract has its inception in the award, eliminating a formal signing of a separate contract. For that reason, all of the terms and conditions of the contract are contained in the Request for Proposals, unless any of the terms and conditions are modified by a Request for Proposals amendment, a contract amendment, or by mutually agreed terms and conditions in the contract documents.

8. **FAMILIARIZATION OF SCOPE OF WORK:** Before submitting a proposal, each Offeror shall familiarize itself with the Scope of Work, laws, regulations and other factors affecting performance of work. It shall carefully correlate its observations with requirements of the Contract and otherwise satisfy itself as to the expense and difficulties attending the performance of the work. The submission of a Proposal will constitute a representation of compliance by the Offeror. There will be no subsequent financial adjustment, other than that provided by the Contract, for lack of such familiarization.
9. **LATE PROPOSALS:** Late proposals shall not be considered.
10. **WITHDRAWAL OF PROPOSAL:** At any time prior to a specified solicitation due time and date an Offeror (or designated representative) may withdraw the proposal. Facsimile or telephone withdrawals shall not be considered.
11. **AMENDMENT OF REQUEST FOR PROPOSALS:** The Offeror shall acknowledge receipt of a Request for Proposals amendment by signing and returning the document by the specified due time and date.
12. **SUBMITTAL:** The offer and contract award sheet, the pricing schedule, and any solicitation amendments must be signed and returned with the Offeror's proposal.
13. **CONFIDENTIAL INFORMATION:** If a person believes that any portion of a proposal, offer, specification, protest, or correspondence contains information that should be withheld, then the Procurement Manager should be so advised in writing (price is not confidential and will not be withheld). The County shall review all requests for confidentiality and provide a written determination. If the confidential request is denied, such information shall be disclosed as public information, unless the person utilizes the "Protest" provision.

14. SUBCONTRACTORS: Offeror must list any subcontractor to be utilized in performance of services herein. For each subcontractor, detail on respective qualifications must be included.

15. UPON NOTICE OF INTENT TO AWARD: The apparent successful Offeror shall sign and file with the County, within ten (10) days after Notice of Intent to Award, all documents necessary to the successful execution of the contract.

16. EXCEPTIONS TO CONTRACT PROVISIONS: A response to any Request for Proposals is an offer to contract with the County based upon the contract provisions contained in the County's Request for Proposals, including but not limited to, the specifications, scope of services and any terms and conditions. Offerors who wish to propose modifications to the contract provisions must clearly identify the proposed deviations and any proposed substitute language. However, the provisions of the Request for Proposals cannot be modified without the express written approval of the Manager or his designee. If a proposal or offer is returned with modifications to the contract provisions that are not expressly approved in writing by the Director or his designee, the contract provisions contained in the County's Request for Proposals shall prevail.

17. PROPOSAL RESULTS: Proposal results **are not** provided in response to telephone inquiries. A tabulation of proposals received is on file in the Procurement Office and available for review after contract award.

18. INTERVIEWS BY APPOINTMENT:

The County at its discretion may set up interviews by appointment for selected (potential) Offerors.

19. FORMAT AND CONTENT:

To aid in the evaluation, it is desired that all proposals follow the same general format. The proposals are to be submitted in binders and have sections tabbed as below:

Table of Contents

Short introduction and summary – This section shall contain an outline of the general review of services and firm.

Proposal – Your proposal should contain a statement of all of the programs and services requested and proposed, including conclusions and generalized recommendations. Proposals should be all-inclusive, detailing your best offer. Additional related services should be incorporated into the proposal, if applicable.

Qualifications – This section shall describe the firm's ability and experience related to the programs and services proposed. All project personnel, as applicable, shall be listed including a description of assignments and responsibilities, a resume of professional experience, and an estimate of the time each would devote to this program, and other pertinent information.

Pricing (Attachment A)

Agreement (Attachment B)

References (Attachment C)

Investment Transaction Fees (Attachment D)

20. OFFERORS MINIMUM QUALIFICATIONS

In order for proposals to be evaluated and considered for award, proposals must be deemed **Responsive and Responsible**. To be deemed **“Responsive”**, the submitted offer documents shall conform in all material respects to the requirements stated by the solicitation. To be deemed **“Responsible”**, offerors shall document and substantiate their capability to fully perform all requirements defined by the solicitations. Factors considered include and may not be limited to experience, integrity, perseverance, reliability, capacity, facilities, equipment, credit and other factors required to provide the performance defined by the solicitation.

21. EVALUATION AND AWARD CRITERIA

Navajo County shall evaluate proposals deemed **Responsive and Responsible**. Proposals shall be evaluated according to the evaluation criteria set forth herein. Evaluation of cost shall be made without regard to applicable taxes.

<u>CRITERIA</u>	<u>MAXIMUM POINTS</u>
A. Ability to meet the service and technical needs of the County	40 points
B. Proven skills and technical competence	30 points
C. Overall cost of services	25 points
D. Quality and completeness of Proposal	<u>5 points</u>
Total	100 points

The evaluation criteria will be used by the evaluation panel when scoring the offeror’s answers to the questions/requests contained within this proposal.

Evaluation Criteria

The evaluation committee will assign points to each proposal submitted on the basis of the following evaluation criteria, unless otherwise indicated.

- A. Ability to meet the service and technical needs of the county (0 to 40 points)**
Points will be based on offeror’s responses to the required services and submissions and responses from references.
- B. Proven skills and technical competence (0 to 30 points)**
Points will be based on offeror’s responses to the required services and submissions and responses from references.
- C. Overall cost of Services (0 to 25 points)**
Points for the cost will be assigned by the evaluation panel based on an estimate of the total cost of the contract.
- D. Quality and completeness of Proposal (0 to 5 points)**
Points will be based on offeror’s responses to the required services and submissions.

The County reserves the right to request additional information and/or clarification. Any clarification of a proposal shall be in writing. Recommendations for award will be to the responsible and responsive offeror whose proposal is determined to be the most advantageous to the County taking into consideration the evaluation criteria set forth in this solicitation.

If an award is made, the County will enter into an agreement with the Offeror that submitted the highest scoring responsible and responsive offer(s) by executing and transmitting a blanket contract or purchase order document that incorporates the Offer without further action by the Offeror. The County may conduct discussions with the Offeror to clarify the Offer and Agreement details provided that they do not substantially change the intent of the solicitation. Unless otherwise specified, relative ranking of proposals will be made considering the average of total points given to each proposal by evaluators. There is no guarantee that the County will utilize all services requested in this solicitation.

SPECIAL TERMS AND CONDITIONS

1. INSURANCE

The Vendor Agrees to: At Vendor's own expense, obtain stipulated minimum insurance from a company or companies duly licensed by the State of Arizona and possessing a current A.M. Best, Inc. Rating of B++6 for insurance coverage of the types and amounts required in this subsection and keep such insurance coverage in force for vendor and sub-vendors who will be working on Navajo County property. The Vendor will provide satisfactory certificates of the required coverage to the Contracting Officer before beginning the work. All policies will contain an endorsement providing that written notice be given to the County at least thirty (30) calendar days prior to termination, cancellation or reduction in coverage in any policy. In lieu of State of Arizona licensing, the stipulated insurance may be purchased from a company or companies who are authorized to do business in the State of Arizona, provided that said insurance companies meet the approval of the County. The form of any insurance policies and forms must be acceptable to the County.

The Vendor shall furnish the County with certificates of insurance which name the County as additional insured in an amount as required in this contract.

Provide and maintain minimum insurance coverage as follows:

- Commercial General Liability. **VENDOR** shall maintain Commercial General Liability Insurance (CGL) and, if necessary, Commercial Umbrella Insurance with a limit of not less than \$1,000,000 for each occurrence with a \$1,000,000 Products/Completed Operations Aggregate and a \$1,000,000 General Aggregate Limit. The policy shall include coverage for bodily injury, broad form property damage, personal injury, products and completed operations and blanket contractual coverage including, but not limited to, the liability assumed under the indemnification provisions of this Contract which coverage will be at least as broad as Insurance Service Office, Inc. Policy Form CG 00 01 10 93 or any replacements thereof. There shall be no endorsement or modification of the CGL limiting the scope of coverage for liability arising from explosion, collapse, or underground property damage.
 - The policy shall contain a severability of interest provision and shall not contain a sunset provision or commutation clause, or any provision which would serve to limit third party action over claims.
 - The CGL and the commercial umbrella coverage, if any, additional insured endorsement shall be at least as broad as the Insurance Service Office, Inc.'s Additional Insured, Form CG 20 10 10 01, and shall include coverage for **VENDOR'S** operations and products.
- Automobile Liability. **VENDOR** shall maintain Automobile Liability Insurance and, if necessary, Commercial Umbrella Insurance with a combined single limit for bodily injury and property damage of no less than \$1,000,000, each occurrence, with respect to **VENDOR'S** vehicles (including owned, hired, non-owned), assigned to or used in the performance of this Contract. If hazardous substances, materials, or wastes are to be transported, MCS 90 endorsement shall be included and \$5,000,000 per accident limits for bodily injury and property damage shall apply.
- Workers' Compensation. **VENDOR** shall carry Workers' Compensation insurance to cover obligations imposed by federal and state statutes having jurisdiction of **VENDOR'S**

employees engaged in the performance of the work or services, as well as Employer's Liability insurance of not less than \$100,000 for each accident, \$100,000 disease for each employee, and \$500,000 disease policy limit.

- **VENDOR** waives all rights against **COUNTY** and its agents, officers, directors and employees for recovery of damages to the extent these damages are covered by the Workers' Compensation and Employer's Liability or commercial umbrella liability insurance obtained by **VENDOR** pursuant to this agreement.
- In case any work is subcontracted, **VENDOR** will require the Subcontractor to provide Workers' Compensation and Employer's Liability insurance to at least the same extent as required of **VENDOR**.
- Certificates of Insurance.
 - Prior to commencing work or services under this Contract, Vendor shall have insurance in effect as required by the Contract in the form provided by the County, issued by Vendor's insurer(s), as evidence that policies providing the required coverage, conditions and limits required by this Contract are in full force and effect. Such certificates shall be made available to the County upon 48 hours notice. **BY SIGNING THE AGREEMENT PAGE, THE VENDOR AGREES TO THIS REQUIREMENT AND FAILURE TO MEET THIS REQUIREMENT WILL RESULT IN CANCELLATION OF CONTRACT.**
- In the event any insurance policy(ies) required by this contract is(are) written on a "claims made" basis, coverage shall extend for two years past completion and acceptance of **VENDOR'S** work or services and as evidenced by annual Certificates of Insurance.
- If a policy does expire during the life of the Contract, a renewal certificate must be sent to the **COUNTY** fifteen (15) days prior to the expiration date.
- Cancellation and Expiration Notice.
 - Insurance required herein shall not be permitted to expire, be canceled, or materially changed without thirty (30) days prior written notice to the County.

2. **CONTRACT TERM**

This Request for Proposal is for awarding a firm, fixed price purchasing contract to cover a THREE (3) year period.

3. **OPTION TO EXTEND**

The County may, at their option and with the approval of the Contractor, extend the period of this Contract up to a maximum of one (2) two year term. The Contractor shall be notified in writing by the Clerk of the Board of Supervisors of the County's intention to extend the contract period at least thirty (30) calendar days prior to the expiration of the original contract period.

4. **KEY PERSONNEL**

Vendor shall provide updated lists every six (6) months of any other key personnel and their function providing services under this contract.

5. **AMENDMENTS:** Amendments may be obtained by calling (928) 524-4100 or checking the County website at <https://www.navajocountyaz.gov/Departments/Finance/Procurement>. It is the Vendor's responsibility to obtain a copy of any amendment relevant to this solicitation. The County takes no responsibility for informing recipients of changes to the original solicitation document. Failure to submit signed amendments with the proposal response may be grounds for deeming submittal non-responsive.
6. **ELIGIBILITY FOR COOPERATIVE PURCHASING** The Offeror shall indicate on the price page whether other public agencies may purchase off of the contract during the contract term. If "Yes" is checked, any eligible federal, state or local public agency that has entered into a cooperative purchasing agreement with Navajo County may purchase off of the contract during the contract term (per ARS § 41-2632). If "No" is checked, the contract will not be eligible for cooperative purchasing by other agencies.
7. **TAX:** No tax shall be levied against labor. It is the responsibility of the Vendor to determine any and all taxes and include the same in proposal price.
8. **DELIVERY:** It shall be the Vendor's responsibility to meet the proposed delivery requirements. Navajo County reserves the right to obtain services on the open market in the event the Vendor fails to make delivery and any price differential will be charged against the Vendor.
9. **COMPLIANCE REQUIREMENTS FOR A.R.S. § 41-4401, GOVERNMENT PROCUREMENT: E-VERIFY REQUIREMENT.**
 - a. The Vendor warrants compliance with all Federal immigration laws and regulations relating to employees and warrants its compliance with Section A.R.S. § 23-214, Subsection A. (That subsection reads: "After December 31, 2007, every employer, after hiring an employee, shall verify the employment eligibility of the employee through the E-Verify program.)
 - b. A breach of a warranty regarding compliance with immigration laws and regulations shall be deemed a material breach of the contract and the vendor may be subject to penalties up to and including termination of the contract.
 - c. Failure to comply with a State audit process to randomly verify the employment records of vendors and subcontractors shall be deemed a material breach of the contract and the Vendor may be subject to penalties up to and including termination of the contract.
 - d. The State Agency retains the legal right to inspect the papers of any employee who works on the contract to ensure that the vendor or subcontractors is complying with the warranty under paragraph a.
10. **ESCALATION:**

Any requests for reasonable price adjustments must be submitted thirty (30) days prior to the Contract expiration date. Requests for adjustment in cost of labor and/or materials must be supported by appropriate documentation. If County agrees to the adjusted price terms, County shall issue written approval of the change. The reasonableness of the request will be determined by comparing the request with the Producer Price Index or by performing a market survey.
11. **POST AWARD MEETING:**

The successful Respondent(s) may be required to attend a post-award meeting with the Using Agency to discuss the terms and conditions of this Contract.

NOTE: RESPONDENTS ARE REQUIRED TO USE ATTACHED FORMS TO SUBMIT THEIR PROPOSALS.

OPTIONAL SERVICES TO BE PRICED SEPARATELY

STANDARD TERMS AND CONDITIONS

1. **CERTIFICATION:** By signature in the offer section of the Offer and Acceptance page, Offeror certifies:
 - A. The submission of the offer did not involve collusion or other anti-competitive practices.
 - B. The Proposer shall not discriminate against any employee or applicant for employment in violation of Federal Executive Order 11246, or A.R.S. § 31-1461, et seq.
 - C. The Proposer has not given, offered to give, nor intends to give at any time hereafter, any economic opportunity, future employment, gift, loan, gratuity, special discount, trip, favor, or service to a public servant in connection with the submitted offer.
 - D. The Proposer submitting the offer hereby certifies that the individual signing the proposal is an authorized agent for the company and has the authority to bind the proposer to the contract.

2. **TERMINATION OF CONTRACT:** This contract may be terminated at any time by mutual written consent, or by the County, with or without cause, upon giving one hundred eighty (180) days' prior written notice to you, per A.R.S. § 35-325D. The County at its convenience, by written notice, may terminate this contract, in whole or in part. If this contract is terminated, the County shall be liable only for payment under the payment provisions of this contract for services rendered and accepted material received by the County before the effective date of termination.

The County reserves the right to cancel the whole or any part of this contract due to failure of Vendor to carry out any term, promise, or condition of the contract. The County will issue a written ten (10) day notice of default to Vendor for acting or failing to act as in any of the following:

In the opinion of the County, Vendor provides personnel that do not meet the requirements of the contract;

In the opinion of the County, Vendor fails to perform adequately the stipulations, conditions or services/specifications required in this contract;

In the opinion of the County, Vendor attempts to impose on the County personnel or materials, products or workmanship, which is of an unacceptable quality;

Vendor fails to furnish the required service and/or product within the time stipulated in the contract;

In the opinion of the County, Vendor fails to make progress in the performance of the requirements of the contract and/or give the County a positive indication that Vendor will not or cannot perform to the requirements of the contract.

3. **RECORDS:** Internal control over all financial transactions related to this contract shall be in accordance with sound fiscal policies. The County may, at reasonable times and places, audit the books and records of you or any and all of your subcontractors. Said audit shall be limited to this contract and its scope of services.
4. **ARBITRATION:** It is understood and agreed that no provision of the contract relating to arbitration or requiring arbitration shall apply to or be binding upon the County except by the County's express written consent given subsequent to the execution of the contract. However, at the County's sole option, or by other means expressly approved by the County, disputes may be resolved through arbitration. The dispute shall be resolved as

provided for in A.R.S. § 12-1501, et seq. Vendor shall continue to render the services required by this contract without interruption, notwithstanding the provisions of this section.

5. **INDEPENDENT VENDOR:** It is clearly understood that each party shall act in its individual capacity and not as an agent, employee, partner, joint venture, or associate of the other. An employee or agent of one party shall not be deemed or construed to be the employee or agent of the other party for any purpose whatsoever.

Vendor shall not be entitled to compensation in the form of salaries, or to paid vacation or sick days by the County, and that such days do not accumulate for the use of same at a later date.

Navajo County will not provide any insurance coverage to the Vendor, including Workers' Compensation coverage. The Vendor is advised that taxes or social security payments shall not be withheld from a County payment issued hereunder and that Vendor should make arrangements to directly pay such expenses, if any.

6. **AFFIRMATIVE ACTION:** Vendor agrees to abide by the applicable provisions of the County. Vendor, your subcontractor(s) and supplier(s) agree to adhere to a policy of equal employment opportunity and demonstrate an affirmative effort to recruit, hire, promote and upgrade the position of employees regardless of race, color, religion, ancestry, sex, age, disability, national origin, sexual orientation, gender identity, familial status, or marital status and who agree and are responsive to the County's goals.
7. **NON-EXCLUSIVE CONTRACT:** Any contract resulting from this solicitation shall be awarded with the understanding and agreement that it is for the sole convenience of the County. The County reserves the right to obtain like goods or services from another source when necessary.
8. **PATENT INFRINGEMENT:** The procuring agency should advise the Vendor of any impending patent suit and provide all information available. The Vendor shall defend any suit or proceeding brought against the procurement agency based on a claim that any equipment, or any part thereof, furnished under this contract constitutes an infringement of any patent, and the Contract shall pay all damages and costs awarded therein, excluding incidental and consequential damages, against the procuring agency. In case said equipment, or any part thereof, is in such suit held to constitute infringement and use of said equipment or part is enjoined, the Vendor shall, at its own expense and at its option, either procure for the procuring agency the right to continue using said equipment or part, or replace same with non-infringing equipment, or modify it so it becomes non-infringing.
9. **DUPLEXED/RECYCLED PAPER:** The Vendor shall ensure that, when practicable, all printed materials produced by the Vendor in the performance of this contract are duplexed (two-sided copies), printed on recycled paper and labeled as such.
10. **AMERICANS WITH DISABILITIES ACT:** The Vendor shall comply with all applicable provisions of the Americans with Disabilities Act (Public Law 101-336, 42 U.S.C. 12101-12213) and applicable federal regulations under the Act.
11. **CONFIDENTIALITY OF RECORDS:** The Vendor shall establish and maintain procedures and controls that are acceptable to the County for the purpose of assuring that no information contained in its records or obtained from the County or from others in carrying out its functions under the contract shall be used by or disclosed by it, its agents, officers, or employees, except as required to efficiently perform duties under the contract. Persons requesting such information should be referred to the County. Vendor also agrees that

any information pertaining to individual persons shall not be divulged other than to employees or officers of Vendor as needed for the performance of duties under the contract, unless otherwise agreed to in writing by the County.

12. **GRATUITIES:** The County may, by written notice to the Vendor, cancel this contract if it is found that gratuities, in the form of entertainment, gifts or otherwise, were offered or given by the Vendor or any agent or representative of the Vendor, to any officer or employee of the County amending, or the making of any determinations with respect to the performing of such contract. In the event this contract is canceled by the County pursuant to this provision, the County shall be entitled, in addition to any other rights and remedies, to recover or withhold from the Vendor the amount of the gratuity.
13. **APPLICABLE LAW:** This contract shall be governed by, and the County and Vendor shall have all remedies afforded each by the Uniform Commercial Code, as adopted in the State of Arizona, except as otherwise provided in this contract or in laws pertaining specifically to the County. This contract shall be governed by the law of the State of Arizona, and suits pertaining to this contract shall be brought only in federal or state courts in the State of Arizona.
14. **CONTRACT:** The contract shall be based upon the Request for Proposals issued by the County and the offer submitted by the Vendor in response to the Request for Proposals. The offer shall substantially conform to the terms, conditions, specifications and other requirements set forth within the text of the Request for Proposals. The County reserves the right to clarify any contractual terms with the concurrence of the Vendor; however, any substantial non-conformity in the offer, as determined by the County's Procurement Manager, shall be deemed non-responsive and the offer rejected. The contract shall contain the entire agreement between the County and the Vendor relating to this requirement and shall prevail over any and all previous agreements, contracts, proposals, negotiations, purchase orders, or master agreements in any form.
15. **LEGAL REMEDIES:** All claims and controversies shall be subject to the Navajo County Procurement Code.
16. **CONTRACT AMENDMENTS:** This contract shall be modified only by a written contract amendment signed by the County's Procurement Manager and persons duly authorized to enter into contracts on behalf of the Vendor.
17. **PROVISIONS REQUIRED BY LAW:** Each and every provision of law and any clause required by law to be in the contract shall be read and enforced as though it were included herein, and if through mistake or otherwise any such provision is not inserted, or is not correctly inserted, then upon the application of either party the contract shall forthwith be physically amended to make such insertion or correction.
18. **SEVERABILITY:** The provisions of this contract are severable to the extent that any provision or application held to be invalid shall not affect any other provision or application of the contract which may remain in effect without the valid provision or application.
19. **PROTECTION OF GOVERNMENT BUILDINGS:** The Vendor shall use reasonable care to avoid damaging existing buildings, equipment, and vegetation (such as trees, shrubs, and grass) on County property. If the Vendor fails to do so and damages such buildings, equipment and vegetation, the Vendor shall replace or repair the damage at no expense to the County, as directed by the Procurement Manager. If the Vendor fails or refuses to make such repair or replacement, then the Vendor shall be liable for the cost thereof, which may be deducted from the contract price.

- 20. INTERPRETATION - PAROL EVIDENCE:** This contract is intended by the parties as a final expression of their agreement and is intended also as a complete and exclusive statement of the terms of this agreement. No course of prior dealings between the parties and no usage of the trade shall be relevant to supplement or explain any term used in this contract. Acceptance or acquiescence in a course of performance rendered under this contract shall not be relevant to determine the meaning of this contract even though the accepting or acquiescing party has knowledge of the nature of the performance and opportunity to object.
- 21. ASSIGNMENT - DELEGATION:** No right or interest in this contract shall be assigned by the Vendor without prior written permission of the County, and no delegation of any duty of Vendor shall be made without prior written permission of the County's Procurement Manager. The County shall not unreasonably withhold approval and shall notify the Vendor of the County's position within fifteen (15) days of receipt of written notice by the Vendor.
- 22. SUBCONTRACTS:** No subcontract shall be entered into by the Vendor with any other party to furnish any of the material/service specified herein without the advance written approval of the County's Procurement Manager. All subcontracts shall comply with federal and state laws and regulations which are applicable to the services covered by the subcontract and shall include all the terms and conditions set forth herein which shall apply with equal force to the subcontract, as if the subcontractor were the Vendor referred to herein. The Vendor is responsible for contract performance whether or not subcontractors are used. The County shall not unreasonably withhold approval and shall notify the Vendor of the County's position within fifteen (15) days of receipt of written notice by the Vendor.
- 23. RIGHTS AND REMEDIES:** No provision in this document or in the Vendor's proposal shall be construed, expressly or by implication as a waiver by either party of any existing or future right and/or remedy available by law in the event of any claim or default or breach of contract. The failure of either party to insist upon the strict performance of any term or condition of the contract or to exercise or delay the exercise of any right or remedy provided in the contract, or by law, or the acceptance of materials or services, obligations imposed by this contract or by law, and shall not be deemed a waiver of any right of either party to insist upon the strict performance of the contract.
- 24. PROTESTS:** A protest shall be in writing and shall be filed with the Procurement Manager. A protest of a Request for Proposals shall be received at the Procurement Office before the Request for Proposals opening date. A protest of a proposed award or of an award shall be filed within ten days after the protestor knows or should have known the basis of the protest. A protest shall include:
- A. The name, address, and telephone number of the protestor;
 - B. The signature of the protestor or its representative;
 - C. Identification of the Request for Proposals or contract number;
 - D. A detailed statement of the legal and factual grounds of protest including copies of relevant documents; and,
 - E. The form of relief requested.
- 25. WARRANTIES:** Vendor warrants that all material or service delivered under this contract shall conform to the specifications of this contract. Mere receipt of shipment of the material or service specified and any inspection incidental thereto by the County, shall not alter or affect the obligations of the Vendor or the rights of the County under the foregoing warranties. Additional warranty requirements may be set forth in this document.

26. INDEMNIFICATION: To the fullest extent permitted by law, Vendor shall defend, indemnify and hold harmless Navajo County, its agents, representatives, officers, directors, officials and employees from and against all claims, damages, losses and expenses (including but not limited to attorney's fees, court costs, expert witness fees, the cost of appellate proceedings, and alternative dispute resolution costs), relating to, arising out of or resulting from Vendor's work or services. Vendor's duty to defend, indemnify and hold harmless Navajo County, its agents, representatives, officers, directors, officials and employees shall arise in connection with any claim, damage, loss or expense that is attributable to bodily injury, sickness, disease, death, injury to, impairment or destruction of property, including loss of use or diminution in value, resulting from, caused in whole or in part by any act or omission of Vendor, anyone Vendor directly or indirectly employs or anyone for whose acts Vendor may be liable, regardless of whether it is caused in part by a party indemnified hereunder, including Navajo County.

The amount and type of insurance coverage requirements set forth herein will in no way be construed as limiting the scope of the indemnity in this paragraph.

27. OVERCHARGES BY ANTITRUST VIOLATIONS: The County maintains that, in actual practice, overcharges resulting from antitrust violations are borne by the purchaser. Therefore, to the extent permitted by law, the Vendor hereby assigns to the County any and all claims for such overcharges as to the materials or services used to fulfill the contract.

28. RIGHT TO ASSURANCE: Whenever one party to this contract in good faith has reason to question the other party's intent to perform, the former party may demand that the other party give a written assurance of this intent to perform. In the event that a demand is made and no written assurance is given within five (5) days, the demanding party may treat this failure as an anticipatory repudiation with this contract.

29. ADVERTISING: Vendor shall not advertise or publish information concerning this contract without prior written consent of the County.

30. RIGHT TO INSPECT: The County may, at reasonable times, and at the County's expense, inspect the place of a Vendor or subcontractor which is related to the performance of any contract as awarded or to be awarded.

31. FORCE MAJEURE:

A. Except for payment of sums due, neither party shall be liable to the other nor deemed in default under this contract if and to the extent that such party's performance of this contract is prevented by reason of Force Majeure. The term "Force Majeure" means an occurrence that is beyond the control of the party affected and occurs without its fault or negligence. Force Majeure shall not include late performance by a subcontractor unless the delay arises out of a Force Majeure occurrence in accordance with this Force Majeure term and condition.

B. If either party is delayed at any time in the progress of the work by Force Majeure, the delayed party shall notify the other party in writing of such delay, as soon as is practical, of the commencement thereof and shall specify the causes of such delay in such notice. Such notice shall be hand-delivered or mailed certified-return receipt and shall make a specific reference to this article, thereby invoking its provisions. The delayed party shall cause such delay to cease as soon as practicable and shall notify the other party in writing when it has done so. The time of completion shall be extended by contract modification for a period of time equal to the time that results or

effects of such delay prevent the delayed party from performing in accordance with this contract.

32. **INSPECTION:** All material or service is subject to final inspection and acceptance by the County. Material or service failing to conform to the specifications of this contract shall be held at Vendor's risk and may be returned to the Vendor. If so returned, all costs are the responsibility of the Vendor. Noncompliance shall conform to the cancellation clause set forth in this document.
33. **EXCLUSIVE POSSESSION:** All services, information, computer program elements, reports, and other deliverables which may be created under this contract are the sole property of the County and shall not be used or released by the Vendor or any other person except with prior written permission by the County.
34. **TITLE AND RISK OF LOSS:** The title and risk of loss of material or service shall not pass to the County until the County actually receives the material or service at the point of delivery, unless otherwise provided within this contract.
35. **NO REPLACEMENT OF DEFECTIVE TENDER:** Every tender of materials must fully comply with all provisions of this contract. If a tender is made which does not fully conform, this shall conform to the cancellation clause set forth within this document.
36. **DEFAULT IN ONE INSTALLMENT TO CONSTITUTE TOTAL BREACH:** Vendor shall deliver conforming materials in each installment or lot of this contract and may not substitute nonconforming materials. Delivery of nonconforming materials or a default of any nature, at the option of the County, shall constitute breach of the contract as a whole. Noncompliance shall conform to the cancellation clause set forth within this document.
37. **LIENS:** All materials, services, and other deliverables supplied to the County under this contract shall be free of all liens other than the security interest held by the Vendor until payment in full is made by the County. Upon request of the County, the Vendor shall provide a formal release of all liens.
38. **COMMISSION COLLECTION:** Commissions shall be paid monthly, and such payment shall arrive no later than forty-five (45) days following the calendar month for which commissions are being paid. Failure to pay accurate commissions on a regular basis shall be grounds for contract termination.
39. **LICENSES:** Vendor shall maintain in current status all federal, state, and local licenses and permits required for the operation of the business conducted by the Vendor as applicable to this contract.
40. **COST OF PROPOSAL PREPARATION:** The County shall not reimburse the cost of developing, presenting, or providing any response to this solicitation. Offers submitted for consideration should be prepared simply and economically providing adequate information in a straightforward and concise manner.
41. **PUBLIC RECORD:** All proposals submitted in response to this request shall become the property of the County and shall become a matter of public record available for review subsequent to the award notification.
42. **SUBSEQUENT EMPLOYMENT:** The County may cancel this contract without penalty or further obligation pursuant to A.R.S. § 38-511 if any person significantly involved in initiating, negotiating, securing, drafting, or creating the contract, on behalf of the County is

or becomes, at any time while the contract or any extension of the contract is in effect, an employee of, or a vendor to any other party to this contract with respect to the subject matter of the contract. Such cancellation shall be effective when written notice from the Procurement Manager is received by the parties to this contract, unless the notice specifies a later time.

43. DEFINITION OF KEY WORDS USED IN THE SOLICITATION:

Shall, Will, Must: Indicates a mandatory requirement. Failure to meet these mandatory requirements may result in the rejection of proposal as non-responsive.

Should: Indicates something that is recommended but not mandatory. If the Offeror fails to provide recommended information, the County may, at its sole option, ask the Offeror to provide the information or evaluate the proposal without the information.

May: Indicates something that is not mandatory but permissible.

For purposes of this contract and Scope of Work, the following definitions shall apply:

"County"	Navajo County, Arizona
"Vendor/Contractor"	The individual, partnership, or corporation who, as a result of the competitive proposal process, is awarded a contract by Navajo County.
"Contract"	The legal agreement executed between Navajo County, Arizona and the Vendor/Contractor.
"Contract Representative"	The County employee or employees who have specifically been designated to act as a contact person or persons to the Vendor, and responsible for monitoring and overseeing the Vendor's performance under this contract.
"Procurement Manager"	The contracting agent for Navajo County.

44. SUSPENSION OR DEBARMENT CERTIFICATION

By signing the Offer section of the Offer and Acceptance page, the Offeror certifies that the firm, business or person submitting the Offer has not been debarred, suspended or otherwise lawfully precluded from participating in any public procurement activity with any federal, state or local government. Signing the Offer section without disclosing all pertinent information about a debarment or suspension shall result in rejection of the Offer or cancellation of a contract. The state also may exercise any other remedy available by law.

PROPOSAL CHECKLIST

REQUIRED DOCUMENTS

COMPLETED/EXECUTED

- Explain Check/Warrant +1 Yr not Debited to County (P6) _____
- Describe Fees with Lines of Credit (P6) _____
- Earning Credits are Calculated (P7) _____
- Timeline to Notify of Insufficient Funds (P7) _____
- Quantity of Images Available for Retrieval (P8) _____
- Overnight Sweep (P9)
 - Describe Overnight Sweep & Investment _____
 - Provide Historic Rates _____
- Conversion – Describe plan for Smooth Transition (P9) _____
- Positive Pay – Describe Service & Solution (P9) _____
- Electronic Payment (P10)
 - Describe type of application & Cost _____
 - Option – Pcard Service _____
 - Discuss & Itemize Fees _____
 - Rebates – State Percentages/Rates _____
 - Payments – Define Grace Periods/Penalties _____
- Credit Card Transactions (P11)
 - State maximum percent charged _____
 - Explain/Display Discount Rate _____
- Currency Requirements – State Fee P11) _____
- Wire Transaction (P11)
 - State if option is to modify or cancel _____
- Direct Deposit Payroll (P12)
 - Explain any/all fees w/ debit card program _____
- Armored Car Services (P12)
 - Plan to add/remove branches in Navajo County _____

PROPOSAL CHECKLIST (continued)

REQUIRED DOCUMENTS

COMPLETED/EXECUTED

Imaging at the Treasurer's Office (P13)

- Discuss & Evaluate System
- Describe needed equipment & charges
- Provide estimate of amount of soft dollars
- Provide Option to Consider Other Districts

Services Multiple Locations – Explain (P13)

Option on Checks – Provide for Remote Locations (P13)

ATM – Provide Option (P13)

Investment Transactions (P14)

- Describe Services, including Safekeeping
- Price in Attachment D

One original and 3 copies (4 total) (P15)

Electronic, one (1) copy of the Proposals (P15)

Format and Content (P17)

- Table of Contents
- Short Introduction and Summary
- Proposal
- Qualifications
- Attachments A-E

Copy of Original RFP

Proposal Evaluation Requirements (P18)

Certification Regarding Debarment, Suspension
And Other Responsibility Matters (P34)

Affidavit by Contractor of No Collusion (P37)

Cooperative Purchasing (P38)

Proposal Checklist (P 31-33)

W-9

PROPOSAL CHECKLIST (continued)

REQUIRED DOCUMENTS

COMPLETED/EXECUTED

Offer and Acceptance (P. 42)

Attachments A thru D (P. 39 thru 44)

ACKNOWLEDGEMENT OF RECEIPT OF ADDENDA:

#1

#2

#3

#4

#5

Initials/
Date

Signed and dated this _____ day of _____, 2020

_____ Authorized Signatory for Firm _____ Title

Certification Regarding
Debarment, Suspension, and Other Responsibility Matters
Primary Covered Transactions

This certification is required by the regulations implementing Executive Order 12549, Debarment and Suspension, 13 CFR Part 145. The regulations were published as Part VII of the May 26, 1988 *Federal Register* (pages 19160-19211). Copies of the regulations are available from local offices of the U.S. Small Business Administration.

(BEFORE COMPLETING CERTIFICATION, READ INSTRUCTION ON NEXT PAGE)

- (1) The prospective primary participant certifies to the best of its knowledge and belief that it and its principals:
- (a) Are not presently debarred, suspended, proposed for disbarment, declared ineligible, or voluntarily excluded from covered transactions by any federal department or agency;
 - (b) Have not within a three-year period preceding this application been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (federal, state, or local) transaction or contract under a public transaction; violation of federal or state antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;
 - (c) Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (federal, state, or local) with commission of any of the offenses enumerated in paragraph (1)(b) of this certification; and
 - (d) Have not within a three-year period preceding this application had one or more public transactions (federal, state, or local) terminated for cause or default.
- (2) Where the prospective primary participant is unable to certify to any of the statements in this certification, such prospective primary participant shall attach an explanation to this proposal.

Business Name _____

Date _____ By _____
Name and Title of Authorized Representative

Signature of Authorized Representative

SBA Form 1623 (10-88)

INSTRUCTIONS FOR CERTIFICATION

1. By signing and submitting this proposal, the prospective primary participant is providing the certification set out below.
2. The inability of a person to provide the certification required below will not necessarily result in denial of participation in this covered transaction. The prospective participant shall submit an explanation of why it cannot provide the certification set out below. The certification or explanation will be considered in connection with the department or agency's determination whether to enter into this transaction. However, failure of the prospective primary participant to furnish a certification or an explanation shall disqualify such person from participation in this transaction.
3. The certification in this clause is a material representation of fact upon which reliance was placed when the department or agency determined to enter into this transaction. If it is later determined that the prospective primary participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, the department or agency may terminate this transaction for cause or default.
4. The prospective primary participant shall provide immediate written notice to the department or agency to which this proposal is submitted if at any time the prospective primary participant learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.
5. The terms "covered transaction," "debarred," "suspended," "ineligible," "lower tier covered transaction," "participant," "person," "primary covered transaction," "principal," "proposal," and "voluntarily excluded," as used in this clause, have the meanings set out in the Definitions and Coverage sections of the rules implementing Executive Order 12549. You may contact the department or agency to which this proposal is submitted for assistance in obtaining a copy of those regulations (13 CFR Part 145).
6. The prospective primary participant agrees by submitting this proposal that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by the department or agency entering into this transaction.
7. The prospective primary participant further agrees by submitting this proposal that it will include the clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion—Lower Tier Covered Transactions," provided by the department or agency entering into this covered transaction, without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.
8. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that it is not debarred, suspended, ineligible, or voluntarily excluded from the covered transaction, unless it knows that the certification is erroneous. A participant may decide the method and frequency by which it determines the ineligibility of its principals. Each participant may, but is not required to, check the Non-procurement List.
9. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.

10. Except for transactions authorized under paragraph 6 of these instruction, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal Government, the department or agency may termination this transaction for cause or default.

ELIGIBILITY FOR COOPERATIVE PURCHASING

The Offeror shall indicate on this page whether other public agencies may participate in this contract during the contract term. If "Yes" is checked, any eligible federal, state or local public agency that has entered into a cooperative purchasing agreement with Navajo County may participate in this contract during the contract term (per ARS § 41-2632). If "No" is checked, the contract will not be eligible for cooperative purchasing by other agencies.

_____ YES – Eligible for cooperative purchasing

_____ NO – Not eligible for cooperative purchasing

NOTICE IS HEREBY GIVEN that all proposal documents shall be completed and/or executed and submitted with the proposal. If Vendor fails to complete and/or execute any portion of the proposal documents, this proposal will be determined to be “non responsive” and rejected.

PRICE PAGE (Attachment A)

Responder must complete all items on the pricing sheet and shall provide and other costs associated with the information from the Questionnaire. (Responder shall include additional pages to this price sheet with detailed information about other costs identified within the Questionnaire as needed.)

Responder shall attach a comprehensive fee schedule listing of all fees that are to charge. Prices for optional services are to be included as well.

Fees shall either be fixed fees or index-based. An example of a fixed fee is "\$0.02 per transaction." An example of an index-based rate is the rate that is tied to an index such as the Federal Fund Rate. If the index-based rates are proposed, clearly identify the name of the index, the organization that publishes it, the web address or other means by which the current rate may be readily obtained, the proposed frequency of adjustment (such as "annually on the contract anniversary date") and the formula by which adjustment shall be made.

TMA Code	Service Description	Charge Basis	Unit Price
200	Interest on Ledger Overdraft		
214	Interest on Uncollected Funds		
00230	FDIC Insurance		
10020	ZBA Concentration Account Fee		
10020	ZBA Tier Account Fee		
10306	On-Line Analysis Statement		
10400	Monthly Account Maintenance		
100000	Deposits Processed		
100015	Currency Deposited, per \$1		
100210	Checks Deposited Pre-Enc/On Us		
100212	Checks Deposited Pre-Enc/Clearing House		
100213	Checks Deposited Pre-Enc/Local RCPC		
100214	Checks Deposited Pre-Enc/Out of District		
100220	Checks Deposited Non-Enc/On Us		
100222	Checks Deposited Non-Enc/Clearing House		
100223	Checks Deposited Non-Enc/Local RCPC		
100224	Checks Deposited Non-Enc/Out of District		
100400	Returned Deposited Item		

TMA Code	Service Description	Charge Basis	Unit Price
100402	Returned Deposited Item : Reclear		
100420	Returned Item Maker Name		
100500	Deposit Correction Credit		
100500	Deposit Correction Debit		
100840	Printed Deposit Slips		
100850	Endorsement Stamps		
101010	Armored Car Services		
109999	Bank Originated Credit		
109999	Bank Originated Debit		
150030	Positive pay		
150100	Checks Paid		
150410	On-Line Stop Payment		
150420	Stop Payments		
150511	Cashiers Check		
150800	Printed Checks		
151100	Check Sequencing		
151342	Images Printed		
151350	Images - On Line Maintenance		
151351	CD/Image CD-Rom Check Image		
151352	Images Queried		
151352	Images Viewed		
151353	Images CD		
200000	Special Rpts / Monthly Maintenance		
200310	Special Report / per report		
250107	Payroll Service		
250200	Electronic (ACH) Debits		
250201	Electronic (ACH) Credits		
250300	ACH / Returned items - Debit		
250301	ACH / Returned items - Credit		
251100	ACH Maintenance		
251055	ACH Fraud Filter - Debit		

PRICE PAGE (Attachment A) [continued]

TMA Code	Service Description	Charge Basis	Unit Price
300000	EDI Monthly Fee		
350000	On-Line Wire Transfer		
350124	Wire Transfer Outgoing - Branch		
350300	Incoming Wire - Manual		
350300	Incoming Wire – Auto		
400002	On-Line Mid-Mkt/Base Fee 1-5 Accts		
400002	On-Line Sm Biz/Base Fee 1-3 Accts		
400221	On-Line Mid-Mkt/Pre Day Detail Items		
400221	On-Line Sm Biz/Detail Items		
400223	On-Line CurrDay Balances Reporting		
400224	On-Line CurrDay Detail Items		
400800	Data Retrieval - 180 Days Storage		
400800	Data Retrieval - 1 Year Storage		
450020	REPO Investment Sweep		
10014A	Currency Supplied, per \$1		
25010B	Tax Direct - Enrollment		
25010B	Tax Direct - Federal Tax Payment		
25010B	Tax Direct - State Tax Payment		
35012Z	On-Line Book Transfer		
35022Z	Book Transfers		
300099	E Box		
	Electronic Check Ach		
150723	Positive Pay Exceptions		

OFFER FORM (Attachment B)

TO NAVAJO COUNTY:

The Undersigned hereby offers and agrees to furnish the material or service in compliance with all terms, scope of work, conditions, specifications, and amendments in the Request for Proposals.

In accordance with A.R.S. § 35-393, the Offeror hereby certifies that the Offeror does not have scrutinized business operations in Iran.

In accordance with A.R.S § 35-391, the Offeror hereby certifies that the Offeror does not have scrutinized business operations in Sudan.

For clarification of this offer, contact:

Name: _____

Phone: _____

Fax: _____

E-mail: _____

Company Name

Address

City State Zip

Signature of Person Authorized to Sign

Printed Name

Title

ACCEPTANCE OF OFFER:

The offer is hereby accepted.

The Vendor is now bound to provide the materials or services listed in RFP# B20-01-030 including all terms, conditions, specifications, amendments, etc., and the Vendor's Offer as accepted by Navajo County.

The Vendor has been cautioned not to commence any billable work or to provide any material or service under this contract until Vendor receives this signed sheet, or written notice to proceed.

Awarded this _____ day of _____ 20_____

AUTHORIZED SIGNATURE

Attachment C

Bank References

FIRM SUBMITTING PROPOSAL: _____

1. COMPANY NAME: _____

ADDRESS: _____

CONTACT PERSON: _____

TELEPHONE: _____ E-MAIL ADDRESS: _____

2. COMPANY NAME: _____

ADDRESS: _____

CONTACT PERSON: _____

TELEPHONE: _____ E-MAIL ADDRESS: _____

3. COMPANY NAME: _____

ADDRESS: _____

CONTACT PERSON: _____

TELEPHONE: _____ E-MAIL ADDRESS: _____

4. COMPANY NAME: _____

ADDRESS: _____

CONTACT PERSON: _____

TELEPHONE: _____ E-MAIL ADDRESS: _____

5. COMPANY NAME: _____

ADDRESS: _____

CONTACT PERSON: _____

TELEPHONE: _____ E-MAIL ADDRESS: _____

ATTACHMENT D

OPTIONAL SERVICES PRICING

Service Description	Charge Basis	Monthly Volume	Unit Price
Trust and Custody Charges			
Account Fee	Account	-	
Custody Fee	Volume	100,000,000-	
Coupon Interest Payment	Transaction	-	
Interest Inc Nonpooled	Transaction	-	
Calls full / partial	Transaction	-	
DTC Buys	Transaction	-	
DTC Sells	Transaction	-	
Federal Reserve Buys	Transaction	-	
Federal Reserve Sells	Transaction	-	
Security Maturities	Transaction	-	
Principal Pymt Nonpooled	Transaction	-	
Money Transactions	Transaction	-	
Subtotal			
Other Trust and Custody			
Identify any other charges below			

Exhibit 1

Encoded Warrant Processing Transmission specification for file compatibility and security

Detail records are 62 bytes in length, followed by a CR/LF and have the following format:

Position	Length	Field	Format	Example
1	12	Account	9(12)	020632002796
13	8	Warrant Number	9(8)	00978951
21	8	Cleared Date	MMDDYYYY	01192010
29	10	Warrant Amount	9(8)v99	0000023193
39	10	Zero Fill	9(10)	0000000000
49	13	Space Fill	X(13)	
62	1	Detail Flag	X	D

Footer record is 50 bytes in length followed by a CR/LF and has the following format:

Position	Length	Field	Format	Example
1	12	Account	9(12)	020632002796
13	8	Nines Fill	9(8)	99999999
21	8	Warrants Count	9(8)	00000474
29	10	Warrant Total	9(9)v99	00132848729
39	10	Zero Fill	9(11)	0000000000

Navajo County

Response to Request for Proposal for Bank Servicing Agreement

Contract Number: B20-01-030

March 31, 2020

Submitted by:

John Musto

Relationship Manager

602-378-5806

john.f.musto@wellsfargo.com

Michael Bradley, CTP

Treasury Management Consultant

972-273-9799

michael.d.bradley@wellsfargo.com

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Continuing to build the future together

Navajo County (the County) requires a banking partner that can support its banking needs today and bring you strategic solutions and new technologies as your needs evolve. Your review of banking services affords an excellent opportunity to take a closer look at your treasury processes. Continuing our partnership allows you to retain a consultative banking partner, with a government-specific local support team, who understands the unique challenges and trends in local government. You'll continue to gain insights to help you implement processes that increase automation you require, while reducing your exposure to risk.

We understand the County needs a fiscal agent who is:

- **Responsive** to your day-to-day needs
- **Supportive and collaborative** as you continue to make long-term, fiscal improvements
- **Proactive** in bringing insights for new technologies and best practices in the government space
- **Conservative** in their approach to managing costs and preserving your existing capital

Commitment to you and your goals

Because of our history with the County, we know you better than other banks in the market. We know your plans for the future, and we can help you to achieve your goals. From our recent conversations, we understand that your objectives include:

- **Reducing** manual data entry and exception processing for your finance and customer service staff, as highlighted in a recent visit with the County. We've identified over \$7,500 in annual cost savings regarding exception items and aged report.
- **Reviewing and improving** internal processes to ensure you are mitigating risk and improving customers' experiences when they interact with you
- **Leveraging automation** to reduce disbursements and collections costs

We have the solutions, technology, and experience to help you to continue to enhance your current banking platform. You're looking to reduce costs, and generate greater operational efficiencies while maximizing value. Our goal in responding to this request for proposal (RFP) is to help the County navigate through a changing economy, while providing the most value as your banking partner.

By leveraging your existing resources, and combining them with our expertise in treasury management and the government sector, we'll make thoughtful recommendations and help explore future innovations for the County.

For your consideration

As part of strategic relationship with you, we include highlights of additional services we recommend for the County in our proposal. They include:

- Fraud protection services with our Payment Authorization service, Payee Validation service, *CEO*[®] Fraud Manager, and *Perfect Receivables*[®] – all designed to help you put controls in place to manage potential fraud activities.
- *Payment Manager*[®] where you can send consolidated payables files to streamline and automate your payment and remittance processes.
- Disbursements with *Zell*[®] to replace business-to-consumer (B2C) check payments with electronic payments.

- Our Invoice Manager solution where the County can automate your accounts payable process, reduce costs, improve efficiencies, and maximize your working capital.
- Wholetail lockbox allows you to streamline your remittance processing by directing payments accompanied by an OCR-scannable coupon, and payments received with nonscannable remittance documents to a single wholetail lockbox at Wells Fargo.

Cost of services

We know that as a public entity, the County's priority is to manage expenses. Therefore, our fee schedules reflect these constraints coupled with a thorough due diligence of your services, volumes, and market conditions. Highlights of our cost proposal include the following:

[REDACTED]

- Free business process review

[REDACTED]

Experienced team of professionals

Dedicated government team

Government Banking is a dedicated line of business within Wells Fargo providing expertise and solutions to this specialized sector. Unique in the industry, we have organized specialized commercial banking and capital markets teams under one business, offering an integrated approach that provides the most value for our government customers. We support nearly 5,500 government agencies, authorities, and municipal utilities across the U.S.

As your relationship manager, John Musto, will continue to serve as your primary and dedicated point of contact. John has a strong understanding of the County's daily operations. John is supported by your treasury management consultant, Michael Bradley, who partners with John and will assist in any treasury management needs of the County. Michael Bradley is supported by your treasury management analyst, Michael Peneyra, who can also help with any treasury management needs and is your contact when Michael Bradley is out of the office. In addition, the County will continue to have an entire team dedicated to assisting and consulting with your staff on all aspects of your banking relationship. Our commitment to delivering award-winning customer service* with our solutions make us confident in our ability to continue to meet your expectations. We will continue to work with you to maintain and grow our long-term relationship to support the County.

* Recipient of 2019 Stevie Award for Customer Service Department of the Year (Bronze), National Services Group.

Service support

In addition, the County will continue to have Mauricio Chavez as your dedicated relationship associate who will work with John to help enhance your customer service experience. Mauricio will serve as the liaison between you and the various departments of the bank and serve as backup when John is unavailable. Mauricio can assist you directly with any items pertaining to account transactions, account analysis, wire inquiries, ACH transactions, and adding business credit cards. In addition, the County will still work with your dedicated client service officer, Elvis Uzomah.

Business continuity planning

Business continuity and disaster recovery planning is important for both our organization and yours. We have teams dedicated to supporting our ongoing disaster recovery and business continuity planning. We also encourage you to make sure your organization has plans in place to support your ongoing treasury management needs.

Being prepared for business disruptions is your best defense when the unexpected happens. **We can help you prepare to continue important banking activities if you don't already have a plan in place.** Business continuity plans are unique to each customer and we will partner with the County if needed.

No need to transition

Changing banks can be a significant undertaking. While it is easy to quantify the pricing and interest or earnings credit component of a banking services proposal, it is much more difficult to assess the intangible, internal costs associated with moving your relationship to another bank. Not only will staff have to complete their standard daily work, but they will also have to focus on the bank move.

Additional banking implementation responsibilities include:

- Understanding new bank processes
- Educating the new bank on your procedures
- Coordinating with your IT department for format and other changes
- Testing files and checks
- Contacting vendors currently drafting your account(s)
- Opening new accounts
- Closing old accounts
- Ordering new endorsement stamps, remote deposit machines, and supplies
- Learning new online systems and software
- Building payment templates

By renewing your contract with Wells Fargo, these implementation challenges and costs are eliminated. For the implementation of any new service enhancements arising out of this RFP, the implementation team will partner with your staff to develop the implementation schedule and document the necessary steps. They will work with you and manage the entire implementation process. In addition, your current, dedicated relationship and sales teams will be engaged throughout the implementation process.

A shared vision: today and tomorrow

We have thoughtfully prepared and detailed our complete strategy for the County's banking needs and are excited at the opportunity to continue our relationship. We would like you to know that our relationship is not based on just providing banking services, but on a true partnership. We will also use our insight from working with other government customers, along with our industry expertise and leading technology, to strengthen our partnership and continue to be a strategic advisor to the County.

2.0 Scope of services (proposal)

2.2 Deposits

2.1 The Treasurer will deposit cash and checks with the servicing bank on a daily basis. The deposits represent tax payments or revenues to the County and/or any of its political subdivisions. Additionally, the Treasurer will deposit large United States Treasury, State of Arizona, or other large dollar checks with the bank immediately upon receipt to expedite the use of the funds the next day. This may result in more than one deposit per day.

Acknowledged and confirmed.

2.1.1 General volume information regarding the Treasurer’s account, on an annual basis, is as follows:

2.1.1.1 Amount of Deposits:	Approx. \$300 million
2.1.1.2 Number of Deposit Items:	Approx. 105,000
2.1.1.3 Number of Warrants Processed:	Approx. 100,000

Acknowledged and confirmed.

WellsOne Commercial Checking account

Checking services are the foundation of your business relationship with Wells Fargo. Maintaining cash in a checking account that automatically links to, and funds, a variety of products and reporting methods establishes a convenient way for the County to manage your finances.

With a *WellsOne*® Commercial Checking account, the County can make secure deposits through the deposit channels of your choice, including:

- Cash vault
- Lockbox
- Remote deposit

Streamline paperwork and automate payments with ease.

You can use any of our treasury management services in conjunction with your *WellsOne* Commercial Checking account. Creating the cash management structure that works best for your organization, you choose how to collect receivables and make disbursements. The account will help you to centralize your cash for maximum return.

Our balance reporting, check imaging, and inquiry features — available on our online banking portal — provide daily account visibility. You can apply multiple fraud prevention services, such as positive pay and payment authorization. You can have confidence knowing that your account is Federal Deposit Insurance Corporation (FDIC)-insured up to the full limit allowable by law.

Traditional deposit services

Our traditional depository services can expedite your availability of funds. These comprehensive solutions aim to decrease the rate of non-sufficient funds and returned items.

Branch services

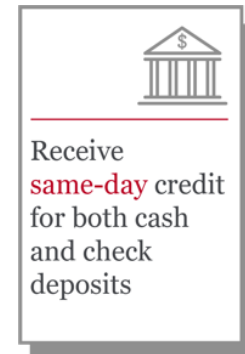
The County is a good candidate for branch depository services, if you:

- Routinely deposit less than \$10,000 in cash per day
- Routinely deposit no more than 100 checks per day
- Are located near a Wells Fargo branch

Teller service

We have **more than 5,000 banking branches across the U.S.**

Tellers will count and verify deposits while you wait, providing immediate confirmation.



The County will receive same-day ledger credit for both cash and check deposits. Cash deposits receive immediate availability. We'll make check deposit credits available the next business day nearly 100% of the time.*

*You receive credit the next business day for check deposits made (through a night depository) after the business day deadline, on weekends, and on federal holidays.

In addition to making deposits, you can place up to four coin and currency orders per week of \$3,000 (per order) or less.

Night depository



Most of our full-service branches have a convenient night depository for commercial customers. After we set up accounts for the County, your authorized personnel will receive access keys.

You must make deposits in secure plastic, tamper-evident, dual-pouch bags. We process them at the branch and verify the cash later, either in the branch or at a nearby Wells Fargo cash vault. Audit controls help ensure that we count and verify your deposit accurately and inform you of adjustments in a timely manner.*

Once we process your deposit, you receive same-day credit for cash deposits. Check deposits receive next-day credit nearly 100% of the time.†

*We send notification of adjustments by email (or U.S. mail) within three business days of deposit date.

†You receive credit the next business day for check deposits made (through a night depository) after the business day deadline, on weekends, and on federal holidays.

ATM

We are one of a few banks that offers ATM access for commercial deposits, and we maintain nearly 12,600 deposit-taking ATMs across the U.S.

You can deposit cash and checks directly into our deposit-taking ATMs, 24 hours a day, 7 days a week.* The ATM calculates your deposit, verifies cash, images checks, and transfers check images for deposit. We'll post deposits made before 9:00 p.m. local time on the same business day.

*Each ATM deposit is limited to 30 items (checks, bills or a mix of both).

Proximity study

The branches identified in this table are closest to your locations and can support your commercial deposits for cash and checks.

Branch	Address	Distance from main location
Holbrook Traditional branch 928-524-6275	266 Navajo Blvd. Holbrook, AZ 86025	1.55 miles
Snowflake Traditional branch 928-536-4311	9 N. Main St. Snowflake, AZ 85937	29.35 miles
Winslow Traditional branch 928-289-4626	210 W. Second St. Winslow, AZ 86047	33.89 miles
Winslow Offsite ATM	1531 North Park Dr. Winslow, AZ 86047	34.33 miles
Show Low Offsite ATM	161 E. Deuce of Clubs Show Low, AZ 85901	49.33 miles
Pinetop Traditional branch 928-367-6320	1551 E. White Mountain Blvd. Pinetop, AZ 85935	59.3 miles
Whiteriver Offsite ATM	Hwy. 73 Main St. Whiteriver, AZ 84941	82.21 miles
Flagstaff Humphreys Offsite ATM	1000 N. Humphreys St. Flagstaff, AZ 86001	91.27 miles
Northern Arizona University Offsite ATM	201 W. University Bldg. 30 Flagstaff, AZ 86001	91.78 miles

Remote deposit overview

You can save both time and money by using our remote deposit service to deposit checks into your Wells Fargo account electronically. **This service eliminates the need for your employees to take check deposits physically to the bank.** An extended deposit deadline of 8:00 p.m. MT for same-day ledger credit may mean faster notice of returned items.

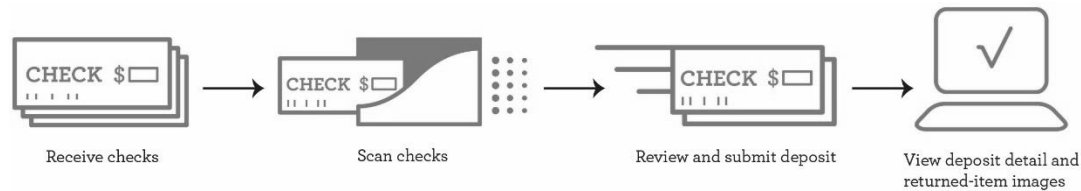
You'll no longer need to maintain accounts at local banks that have physical branches near your locations. You can **consolidate banking relationships**, save money on account maintenance fees, and **reduce the time spent reconciling multiple bank accounts.**

How it works

You scan checks for deposit by using an approved check scanner and computer with internet access. Next, confirm the check dollar amounts and verify the deposit balances. Then, submit the deposit to us; you'll receive a prompt confirmation.

If you enroll in our Alerts service, we'll send authorized users a deposit confirmation notice by email, text message, or fax.

The following diagram shows the remote deposit process flow.



2.1.2 Costs to the County for banking services are subject to the requirements of Arizona Revised Statutes. In the event that the contract differs from the applicable statutes, the statutes shall prevail.

Acknowledged and confirmed.

2.1.3 The servicing bank must meet the requirements of the County's and Treasurer's hardware and operating systems with regard to electronic data processing interfaces. The servicing bank must have the ability to exchange information directly with our system. Information to be exchanged are warrants (cashed, registered and/or paid), account balances and detailed transactions for: investments, safekeeping, reconciliation, etc.

Acknowledged and confirmed.

2.2 Warrants

2.2.1 The County currently uses encoded warrants. Regular, or “encoded warrants,” are computer produced, colored and micro-encoded in magnetic ink. We would like to encode warrants using HOP (High Order Prefix) in order to identify the Entity issuing the warrant. In addition, the extra encoding will reduce problems associated with overlapping warrant numbers. Servicing bank must explain how they will provide this service. The classifications we would like to include are:

Classification	Warrant Use
1.	Navajo County (1)
2.	Schools (17)
3.	Fire Districts (9)
4.	Community College (1)
5.	Public Fiduciary (1)
6.	Special Districts (9)

Acknowledged and confirmed.

Currently, the County is using our Image Positive Pay and ARP Register Maintenance for warrant processing. The County electronically submits warrant information to the bank when issued, or submits them individually through the ARP Register Maintenance service. As warrants come in for payment, they are matched according to dollar amount and high order prefix to the issues provided by the County. Some accounts also use our Payee Validation service, and those warrants are also matched by payee.

Exception warrants are reported on the Image Positive Pay service, where authorized County staff can decision the warrants to pay or return.

The County also receives a monthly report of all paid warrants through SAFE transmission. We will continue to provide this report as required by the County. In addition, we will continue to provide the daily detail of your warrants for processing through our online banking portal. This information is being extracted using the Previous Day Composite report and then downloaded electronically to Filemaker Pro software for sorting, according to high order (prefix) position. Amount and warrant count totals are provided for each County entity along with aggregated grand totals.

We will also accept an electronic or fax transmittal of the previous day’s warrants designated to be registered. These warrants will be registered by 1:00 p.m. MT.

2.2.2 Encoded warrant processing

Encoded warrants shall be sorted and imaged by the servicing bank in sequence by type, year and warrant number and made available for electronic download via the internet using at least 128 bit SSL encryption:

Acknowledged and confirmed.

2.2.2.1 The servicing bank shall provide daily detail of the warrants submitted to the bank for processing and provide the capability to the Treasurer's office to download the warrants electronically to the Treasurer's system on a daily basis in a manner that meets Treasurer's specification for file compatibility and security. See EXHIBIT 1 for file layout. The transmission must meet the technical specifications necessary to be read by the Treasurer's data processing equipment. When applicable, the Treasurer will transmit data via fax or electronically to the bank showing warrants that must be registered by 1:00 p.m. MST for the previous day's warrants.

Acknowledged and confirmed.

Transaction search

Available through both our online banking portal and mobile service, the Transaction Search service enables you to:

- **Search for a variety of transactions**
- **View and print images**
- **Manage stop payments**
- **Request ACH deletes and reversals**
- **Access activity reports**



Search

With the search function, you can search for transactions across multiple accounts and ACH IDs. You can search for:

- Deposits, paid warrants, and other account activity for the previous seven years
- Originated ACH transaction history for up to 180 days – or 13 months with our extended storage option
- Stop payment information for as long as the stop remains in effect
- Extended detail for wire and received ACH transactions for up to 180 days
- Expanded Account Reconciliation Plan (ARP) information for cancelled and voided warrants for the current statement cycle and two previous statement cycles; outstanding warrant information remains available until the item is dispositioned

Images

You can view images online and download them in PDF or RTF formats. Eligible items include:

Deposit tickets

Deposit warrants

Paid warrants

Images are available by 7:00 a.m. MT the business day after posting. Some images may also be available on an intraday basis. Images are available for seven years.

Positive pay

With positive pay, we identify checks that may be fraudulent or unauthorized by matching warrants presented against your account for payment to the warrant issue information you provide us. We report positive pay exceptions to you through our online banking portal.

It's quick and easy to view images and make pay or return decisions through the portal. You can also use our mobile service to access images and make your positive pay decisions.

Teller positive pay is included with all positive pay accounts.

Basic banking

Our online Basic Banking service offers you an easy and efficient way to manage your treasury accounts through your desktop, tablet, or mobile device, without the complex, traditional information reporting services.

Benefits

- Quick access to view and edit your account information or make funds transfers
- Up to 90 days of account history that you can download into various formats
- Simple, flexible control to add new users and administrators
- Streamlined design and experience across devices

Reporting options

You can easily view your account activity through the following reporting options.

Account summary

Gives you a view of your cash and credit account activity, including beginning day, outstanding, and available balances. You can select accounts and options that include:

- Group
- Cash accounts
- Credit accounts
- Print

Account details

You can view 60 days of transaction history, plus up to an additional 30 days of account history for your business checking, savings, money market, credit cards, select loans, and Wells Fargo line of credit accounts. You can also download account history directly into formats that include Microsoft Excel, Quicken, QuickBooks, or comma-delimited.

Account groups

Allows you to categorize your accounts into groups. Your authorized users can transfer funds between accounts in the same group, with no limit to the number of groups you can create.*

*We recommend grouping no more than 50 accounts per list.

Transfer summary

Your authorized users can view and edit pending scheduled transfers and previously completed transfers.

CEO Mobile service

In addition to our online banking portal, you can access the full CEO® Basic Banking application from with our CEO Mobile® service and:

- View account summary, detail, and up to 90 days of history for your cash and credit accounts
- Initiate or schedule funds transfers between eligible accounts
- Add new users and administrators easily through the CEO Administration tool
- Experience the same features and functionalities of the online portal, including printing and downloading

Online administration

Through our online administration service, your administrators can easily:

- Add new users
- Disable or delete users
- Give users access to specific accounts and services
- Modify existing authorizations
- Reset passwords

2.2.2.2 The warrants, transmittal listing and images must be made available, in warrant number sequence, to the Treasurer electronically, daily by 8:00 a.m. MST. Further, in the event of an Internet outage, the servicing bank must provide an alternate method for delivering the warrant listing and amount to the Treasurer. Once the outage is resolved, the e-file must be made available within one business day. (The Treasurer currently uses the “Infinity Visions Treasurer’s Ledger System,” but anticipates transitioning to a new ledger system during the initial contract term. The servicing bank must show the ability to adapt to the new Treasurer’s ledger system.)

Positive Pay

The County will send your warrant issue information to the bank using a transmission method or using our online banking portal to either upload an Excel file or manually enter the warrant information.* We accept issue information 24 hours a day, 7 days a week. If we receive your warrant issue information prior to 9:00 p.m. MT, we process and update it before we update the system with warrant presented for payment that night. We can update your warrant issue information more than 50 times each day.

You can view exception images quickly and easily then make pay or return decisions using our fraud management tool on our online banking portal and mobile service.†

*For current system requirements, see wellsfargo.com/ceosystemrequirements.

†Requires an iPhone, iPad, or iPad Mini running iOS version 10.1 or higher, or an Android device with version 7.0 or higher.

Payee Validation

As you do today, the County can add our payee validation service to a positive pay service.

You’ll include payee names in your warrant issue file exactly as they appear on your warrants. We validate payee names on all warrants presented for encashment at our teller windows and on deposited checks above the threshold dollar amount. We pay payee matches and report payee mismatches to you through our fraud management tool. As with the positive pay services, you’ll make your pay or return decisions through either the online banking portal or mobile service.

Service interruptions

After a disruption, **we prioritize restoring and maintaining normal service levels for our critical functions.** We have teams on call 24 hours a day, 7 days a week, ready to respond to a disruption.

Components of our recovery plans vary based on the potential business disruption, such as a loss of facility, loss of technology, or significant reduction to our staff. We've identified the main areas most commonly affected, and provide our general approach to each in the following paragraphs.

Data centers

We quickly engage our technology teams when we detect a disruption at a primary data center. Our technology teams assess the situation and determine next steps based on the nature of the disruption. If we need to shift processing to an alternate data center, we can because we maintain redundant platforms for our business critical services. All alternate sites have sufficient capacity to maintain processing for an extended period.

In most situations, we can restore service at a primary data center for critical services within zero to 12 hours.*

We've strategically dispersed our data centers across multiple locations to minimize potential disruption within a specific geographic region.

*This does not guarantee that certain events will not affect Wells Fargo systems or that we will achieve specific recovery times in the event of a disruption.

Operation centers

If a disaster occurs at one of our primary operation centers, we use an identified backup site to take over day-to-day processing and support. We use our backup site until the primary site returns to normal conditions.

We've strategically dispersed our operation centers across multiple locations to minimize potential disruption within a specific geographic region.

Communication

We offer the following notification methods to inform you of a service disruption, including:

- Phone calls or emails from your client service officer, Elvis Uzomah
- Front-end messages advising the County about system issues; available when you contact Treasury Management Client Services through our toll-free number
- System status alerts displayed on the homepage of our online banking portal

The method we use to communicate with you depends on the nature of a disruption.

If a disruption prevents you from accessing your information, your client service officer, Elvis Uzomah, can help. They have access to bank systems and can provide you with the account information, balances, and other data you need to continue operating.

Backup strategies for online channels

Online banking portal

If the online banking portal experiences a disruption, we'll use our backup environment or invoke product recovery plans as needed. We maintain a duplicate environment of our online banking portal in a separate location. We actively monitor the readiness of the alternate site by using it to deploy code enhancements and enact disaster preparedness simulations.

Mobile service*

We have a backup environment for our mobile platform in the event of a system outage. Our mobile service and online banking portal channels use different web addresses and user interfaces. This means that, depending on the nature and root cause of an outage, users may be able to access services through the mobile service if our online banking portal is disrupted.

Additionally, our mobile token feature allows users to use their mobile device in place of a physical token to access secure services. This can be helpful in instances where users are separated from their physical token by a disaster event.

Integration with new ledger system

Currently we integrate with your current Infinity Visions Treasurer's Ledger System. Our services use existing interfaces that work with a wide range of accounting, enterprise resource planning (ERP), or treasury workstation systems and will work with the County to integrate with your future system.

2.2.2.3 The warrants are charged against one (1) clearing account; The Treasurer pays the bank, via wire transfer, book transfer or Treasurer's check, prior to 3 p.m. MST each workday for the total warrants processed, less any registered warrants or "suspect items".

Acknowledged and confirmed.

2.2.2.4 The servicing bank must provide a dedicated contact individual(s) for researching banking issues especially with regard to warrants. The contact individual(s) must be available Monday through Friday between the hours of 8:00 a.m. and 5:00 p.m. Arizona time.

Acknowledged and confirmed.

Please refer to the Qualifications section for the biographies of your relationship team.

Wells Fargo provides our highest level of customer service through a dedicated government relationship team with experience working with local county governments. Our goal is to always have someone available who knows the County and can assist with any questions you may have.

John Musto will continue to be your dedicated relationship manager and will meet with the County on a regular basis, coordinate internal experts to provide solutions, resolve any of your concerns, and take responsibility for your satisfaction.

John is based in the local government banking office and leads your relationship team, which includes:

- **Mauricio Chavez, Relationship Associate** – You can call Mauricio whenever John is out of the office or unavailable. He can help you with account maintenance, signature changes, and questions.
- **Michael Bradley, Treasury Management Consultant** – Michael leads our government treasury management team and provides customized technology solutions that make your financial processes easier and more efficient.
- **Michael Peneyra, Treasury Analyst** – You can call Michael when Michael Bradley is out of the office or unavailable. He can help you with your treasury management services.
- **Elvis Uzomah, dedicated client service officer** – Elvis is your dedicated expert on all your treasury management questions. Whether it's researching a transaction or resetting a password, you always have an online banking portal expert available to assist.
- **Sharen Ramirez, Regional Team Lead** – Sharen will continue to provide support and oversight on your banking relationship to ensure a seamless support and continued consulting on the best banking practices in the industry.

2.2.2.5 The servicing bank must have the capability to image the encoded warrants and provide a solution for the image to be read and stored on the Treasurer's system.

Acknowledged and confirmed.

Online

You can retrieve images of your account transactions to view, download, and print account information, using the following services and applications, through our online banking portal, mobile service, or transmission.

Statements & Notices

As discussed earlier, you can use our Statements & Notices service to view images of deposit adjustment notices (DANs) that include adjustment and transaction details. An image of the corrected warrant is included, when available. This service is available at no charge and includes email or text notifications to inform you that your notices are available for viewing online.

Transaction Search

Our Transaction Search service is available on our online banking portal and mobile service. You can search for a variety of transactions, from warrants to ACH-originated items, and use as a full-service to view, print, or download images of warrants (disbursed and deposited), deposits, stop payments, and all account activity posted to your account.

Images are available by 7:00 a.m. MT the first business day after posting. Some images may also be available on an intraday basis. Check images are available for seven years and ACH-originated transaction history for up to 180 days.

Desktop Deposit

With our *Desktop Deposit*[®] service, you can scan warrants for deposit by using an approved scanner and a computer with internet access and view them as images. Warrant images are promptly available online through our remote deposit service for 90 days. These same images are also available online through our Transaction Search service for seven years.

Mobile deposit

You can capture warrant images and deposit funds* to your account with the camera of a mobile device.*

*Requires an iPhone, iPad, or iPad Mini, running iOS version 10.1 or higher, or an Android device with version 7.0 or higher.

Positive pay

With our positive pay tools, through our online banking portal or mobile service*, you can view and download images of exceptions then make pay and no pay processing decisions.

*Requires an iPhone, iPad, or iPad Mini, running iOS version 10.1 or higher, or an Android device with version 7.0 or higher.

Decisioning

You can access returned items images and detailed information the next business day after we receive the items; information is available up to 180 days.

Transmission

Image File Import (IFI)

You can obtain all warrant images in transmission files through Image File Import (IFI). This delivery channel provides a transmission of images of paid warrants, electronically deposited items, and returned items.

Through our secure transmission platform, you can import images into your internal archives or to our viewing software. You choose to download image files in XML or PDF to meet your business needs.

DVD or CD-ROM

WellsImage Media

WellsImage[®] Media, our media service provides encrypted digital images of your paid warrants (front and back) with up to 30,000 images on CD-ROM and 210,000 on DVD. You can request up to seven years of historical images for disbursement accounts.

You can view your images using our proprietary viewing software, which is password protected and allows you to restrict user access.

2.2.3 Warrants

2.2.3.1 Warrants must be presented to the Treasurer for payment the following business day. The presentation must be electronic and sorted by political subdivision in numerical order. The Contractor must include Record Code, Cleared Date Warrant Number, and Amount Paid. Additional data may be required by the Treasurer. If the image submitted to the Treasurer is not legible, a readable copy must be provided at no additional cost. If a legible copy cannot be provided, then the warrant will not be considered properly presented and will not be paid. Credit must be provided to the treasurer for any missing warrants. Investments must be registered in Navajo County's name. A listing of all paid warrants in numerical order sorted by political subdivision, including a total of warrants paid by each political subdivision and a grand total of all warrant paid must be provided. A primary service representative must be located in Arizona and be able to resolve any discrepancies or facilitate resolution of any discrepancies within three working days. All investment transactions must be settled Delivery vs. Payment.

Confirmed and acknowledged.

Wells Fargo will pay all warrants on the date the warrants are presented to the bank. We will transmit the warrant information to the Treasurer the next business day. The Treasurer will pay for all of the warrants within 48 hours of receipt.

After comparing the warrant information received from the bank with the detailed information received from the various County entities, the County personnel can perform research using the our ARP and Positive Pay services, or request assistance from your relationship team or your dedicated client service officer, Elvis Uzomah. The current day warrant settlement total will be adjusted by any credit line, registered warrants, or by any discrepancies identified.

2.2.3.2 By statute (ARS§11-644) a check that is drawn by the County Treasurer in the Treasurer's official capacity or a warrant that is not presented for payment within one year after the date of issuance is void. Explain how the BANK will ensure that checks or warrants that are over one year old will not be debited to the accounts of Navajo County.

Different organizations have different policies regarding stale-dated checks. Therefore, we designed our service to give the County the flexibility to designate when an item is classified as stale. Our stale-date service is available with ARP or Positive Pay services and requires the County to send us an issue file. The County can specify stale-date periods ranging anywhere from one to 99 months.

With our Positive Pay service, the County can choose whether you want to view your stale-dated items. If the County chooses to view stale-dated items, we will present them on the County's online positive pay exception reports. The County can then make pay or return decisions for each one. If the County chooses not to review your stale-dated items, we will automatically return them.

Currently, the County has set a stale-dated period for each account enrolled with the Positive Pay service ranging from four to 12 months and is viewing stale-dated warrants. We will continue these settings unless the County requests changes.

This approach gives the County the flexibility to manage stale-dated items in a way that is consistent with your needs.

2.2.4 Use of credit line in lieu of “registered” warrants.

Upon receiving notice of being selected as the servicing bank, the Treasurer will require the servicing bank to evaluate the creditworthiness of Navajo County and specific entities, including all Fire and School Districts, within the county applying to establish a line of credit, pursuant to A.R.S. § 11-604.01(A), the amount of which will be agreed upon between the Treasurer and the servicing bank, to pay any warrants for which sufficient funds do not contemporaneously exist to cover the amount of the warrant. The amount used to cover these warrants will be treated as an advance against the line of credit and will be recorded as a borrowed amount for each district.

The use of the line of credit under this paragraph will be accomplished and recorded electronically. Such information will be transmitted to the Treasurer in a format determined by the Treasurer. As monies are received for each District, the Treasurer will calculate the amount available to pay down the Line of Credit. The Line of Credit is paid with the respective interest calculated at the lowest possible qualified rate.

The servicing bank will state its lowest possible rate for registering warrants and/or establishing Lines of Credit, according the Title 11, Chapter 4, Article 1, Arizona Revised Statutes.

Describe any and all fees associated with setting up lines of credit.

E-files of registered warrants stating warrant number, warrant amount, date redeemed and interest, is to be provided by the servicing bank to the Treasurer’s Office monthly.

The County currently has lines of credit with the county and various districts within the county.

Wells Fargo will continue the County’s current set up for the lines of credit for the first year of the contract. After the first year, we will meet with the County each year to review usage, current set up, and other possible options that make sense for the County and Wells Fargo.

Please refer to the pricing section for further pricing details.

Small issue rate

- 58% of Wells Fargo base rate
- Applies to the credit line extended to a borrower if the earnings or interest on obligations of that the borrower are exempt from taxation under the Code and the reasonable anticipated amount of qualified tax exempt obligations that will be issued by the borrower during the calendar year does not exceed \$10 million. To qualify for this rate under the loan agreement, borrower must (i) file IRS Form 8033-G or 8038-GC with the IRS and (ii) forward a copy to the bank.

Large issue rate

- 64% of Wells Fargo base rate, the County
- 68% of Wells Fargo base rate, Navajo County Political Subdivisions
- Applies to the credit line extended to a borrower if the earnings or interest on obligations that the borrower are exempt from taxation under the Code and the reasonably anticipated amount of qualified tax exemptions that will be issued by the borrower during the calendar year exceeds \$10 million. To qualify for the larger issue rate, borrower must (i) file IRS Form 808033-G or 8038-GC with the IRS and (ii) forward a copy to the bank.

Taxable rate

- Wells Fargo base rate
- Applies to the credit line extended to the borrower when the borrower does not qualify for the above rates.

2.2.5 Current lines of credit established

Navajo County currently has a total commitment of approximately \$17,000,000 for twelve (12) entities utilizing a revolving credit line.

Acknowledged and confirmed.

2.2.6 “Registered” warrants

If the warrants presented exceed the cash and credit available, then the warrant in excess will register (see A.R.S. 11-635, A.R.S. 11-604.01, and A.R.S. 15-996).

The servicing bank must be able to comply with the Arizona law for registered warrants and explain how they are in compliance with the statutes.

Acknowledged and confirmed.

Wells Fargo already has a process in place with the County for registered warrants according to Arizona State Statutes.

2.3 Banking accounts

The Treasurer currently administers over 20 separate accounts, in addition to the servicing bank account. The collected balances on all depository accounts will be included in the monthly collected balance for our servicing account. All collected balances will be applied to our earnings credit. Any unused credits shall carry forward to future analysis billing cycles. If hard dollar charges are issued in any application, those charges must be identified to the Treasurer's Office at no cost. The Treasurer's Office will verify the bank charges. Any discrepancies will be resolved with the bank prior to submitting payment.

Navajo County currently utilizes compensating balances to pay for the majority of its services. Indicate in your RFP how earnings credits are calculated. If hard dollar charges are issued in any application, those charges must be identified at no cost. The County would like the credits to accumulate monthly but the debits to settle monthly.

Acknowledged and confirmed.

Account analysis

To **make the most of your balances**, the County can group accounts into a single relationship for analysis and compensation purposes. We'll calculate total charges, offsetting balances, and reserve requirements at the relationship level. We will also aggregate balances in all accounts (excluding controlled disbursement accounts) in the same relationship to determine compensation.

If you need to segregate billing for certain entities within your organization, **you can set up multiple analysis relationships** that only include accounts for each of those specific entities.

Each account within a relationship will also receive individual account analysis statements. Customers who use our subaccounting service can also choose to receive individual account analysis statements for each subaccount.

Your treasury management consultant, Michael Bradley, can assist you in configuring your account analysis structure to best fit your specific needs.

Compensation

The County will receive a monthly account analysis statement detailing fees, ECR, and any fees due. Compensation is based upon the ECR and balances. The same price schedule applies, regardless of the compensation. We will debit your account after each billing period for the fees in excess of the compensation; however, your treasury management consultant, Michael Bradley, can discuss alternative payment options and billing periods with you.

We use an ECR to calculate the amount of fees offset by balances. The ECR index is set internally on a monthly basis at our discretion and may be adjusted during the month to react to market changes.


*Balances are not sent to our Account Analysis system for controlled disbursement accounts.

Make the most of your balances when you group accounts into a single relationship.

The ECR index is calculated after evaluating a combination of factors, including:

91-Day Treasury Bill rate
Fed Funds rate
Sweep rates
Other market indicators

We calculate your earnings credit based on 100% of your average daily positive collected balances. We do not deduct a reserve requirement prior to calculating the ECR. Your earnings credit is calculated using the following formula:



$$\text{(average positive collected balance)} \times \text{(number of calendar days in the month)} \times \text{(ECR)} \div \text{actual number of days in the year}$$

We charge a recoupment fee to partially recover deposit insurance premiums that we pay to the FDIC.* Your account analysis statement will detail this fee as an individual charge.

*The FDIC does not charge a bank’s depositors for deposit insurance or require banks to pass the cost of deposit insurance on to their depositors.

Please refer to Tab M in the Appendix section of our proposal for historic sweep rates.

2.3.1 Overdrafts

Warrant clearing accounts (see section 2.2.2.3) will have an anticipated negative balance as a result of one business day delay on the bank accepting the warrant and the Treasurer reimbursing the bank. No other fees, offsets, calculations or charges will be imposed on these negative balances. What is the Banks timeframe for notifying the Treasurer’s office of insufficient funds and return items to customers?

Acknowledged and confirmed.

The County currently uses our Positive Pay service and would be alerted to avoid an item being overdrawn.

2.3.2 Stop payments

The Treasurer’s office currently input stop payments directly into the bank’s system via electronic data processing interface. This insures the bank and the County of rapidly getting stop payments into the system.

Stop methods

You have two options to submit stop payment orders: through our online banking portal, or by electronic transmission, where you’ll include information in your ARP issue file. With both methods, you can send stop payment requests 24 hours a day, 7 days a week — we’ll process them in real time.

Online

Stop payments are effective immediately after you successfully initiate the request through our online service.

The system automatically reviews the previous 180 days and intraday teller-cashed activity to determine whether a requested check has paid. While you can place stop payments on a range of checks, there is a maximum number of 50 stops that you can place at one time. To place stop payments on more than 50 checks at one time, you'll contact your dedicated client service officer, Elvis Uzomah, for assistance.

By transmission

You can make a request as late as 7:00 p.m. MT and still receive same-day posting.

The system automatically reviews the previous 90 days and intraday teller-cashed activity to determine whether a requested check has paid. If you need to place a stop payment on a range of checks, you must include each individual check number in the file. As an alternative, you can contact your dedicated client service officer, Elvis, for assistance with a range stop payment.

Effective period

Stop payments remain in effect for six months. You can renew an individual stop payment on an as-needed basis through our online service, or choose to use our automated renewal option. The renewal option lets you:

- Extend a stop payment for up to an additional six years (in 12-month increments)
- Predetermine a dollar threshold for automatic stop payment renewals
- Limit the number of times a stop payment is automatically renewed

2.3.3 Bank balance information

2.3.3.1 The bank must provide an electronic balance transaction reporting system, accessible by a secure on-line connection, which shall include access to all of the Treasurer's account information residing at the servicing bank. The servicing bank shall explain how long images are available for retrieval by the User on-line and the amount of time the data is stored in bank files.

Acknowledged and confirmed.

As the County uses today, our online Basic Banking service offers you an easy and efficient way to manage your treasury accounts through your desktop, tablet, or mobile device, without the complex, traditional information reporting services.

Benefits

- Quick access to view and edit your account information or make funds transfers
- Up to 90 days of account history that you can download into various formats
- Simple, flexible control to add new users and administrators
- Streamlined design and experience across devices

Reporting options

You can easily view your account activity through the following reporting options.

We retain all data and images for seven years.

Account summary

Gives you a view of your cash and credit account activity, including beginning day, outstanding, and available balances. You can select accounts and options that include:

- Group
- Cash accounts
- Credit accounts
- Print

Account details

You can view 60 days of transaction history, plus up to an additional 30 days of account history for your business checking, savings, money market, credit cards, select loans, and Wells Fargo line of credit accounts. You can also download account history directly into formats that include Microsoft Excel, Quicken, QuickBooks, or comma-delimited.

2.3.3.2 Bank balances shall be available by 7:00 a.m. MST of each business day via the electronic data system.

Acknowledged and confirmed.

The County can access prior day information through our online reporting service, mobile service, and by transmission.

Online and mobile information reporting

We update previous day information by 4:30 a.m. MT on business days, and by 6:30 a.m. MT on Saturday.

If there is a service interruption, we update the system as soon as possible, typically within 15 minutes, post updates to describe the problem, and provide expected availability.

Our previous day reporting includes all transaction types that post to your account.

2.3.3.3 The Treasurer shall have the ability to transfer funds between all of its accounts electronically.

Acknowledged and confirmed.

The County currently uses our Basic Banking serviced and Wire Transfer service to transfer funds.

Basic banking service

Authorized users can transfer money between cash and credit accounts in the same account list. Users can send transfers immediately, at the beginning or end of a day, or sometime in the future.

Wire transfer service

Our wire transfer service processes correctly formatted outgoing payments on a straight through basis according to your instructions. We manually review, correct, and verify a payment that does not pass edits and that our system cannot automatically correct.

Next, our system automatically ensures that there are adequate funds available to process the wire and that a wire is not going to a country or beneficiary on the U.S. Treasury's Office of Foreign Assets Control (OFAC) Specially Designated Nationals and Blocked Persons list. If the wire meets these requirements, our system releases it.

2.3.3.4 The servicing bank shall provide on-line access to account balance reports, with debit and credit totals, DDA (Demand Deposit Account) cycled statements and account analysis statements with descriptions of the items on such statements.

Acknowledged and confirmed.

Online and mobile information intraday reporting

The County can access current day information through our online reporting service, mobile service, and by transmission.

We update current day (intraday) information multiple times throughout the day. The exact times vary depending on the specific transaction types and report. We report transactions and update the current ledger and available balances on a near real-time basis.

If there is a service interruption, we update the system as soon as possible, typically within 15 minutes, post updates to describe the problem, and provide expected system availability.

Our current day reporting includes balance information and the following transaction types:

- ACH debits and credits
- Cash letter deposits with availability
- Controlled disbursement summary and detail
- Incoming and outgoing domestic and international wire transfers
- Lockbox deposits with availability and detail
- Remote deposits with detail

We offer several additional intraday reports to the County, including those listed in the following table.

Available reports	
Intraday reports	With this report, you can:
ACH Origination	View ACH-originated transactions and confirm we received and processed them.
ACH Receive	View timely information for all received ACH transactions that will post to your account at the end of the current day.

ACH Return/NOC	Get detailed information for all ACH transactions, returned for any reason, as well as notification of change (NOC) information for items that processed successfully, but may require additional action.
Controlled Disbursement Detail	View check details for each of your controlled disbursement accounts.
Controlled Disbursement Summary	Helps you identify excess funds by offering a summary of the current day presentment and adjustment activity.
Deposit Detail	View your electronic deposits for the day, including the items in each deposit, and if they were processed as checks or converted to electronic transactions.
E-Box [®]	Review and post payments that originate through an online bill pay service. View information needed to match payments to your accounts receivables.*
EDI Payment Detail	Obtain detailed ACH and EDI payment data with addenda translations from your trading partners in a comprehensive format.
Intraday Composite	Get a comprehensive view of intraday information, including balances, transaction summaries, and transaction details.
Intraday Position	View total balances across multiple accounts with summarized debit and credit information, to help determine your intraday cash position and make daily investment and borrowing decisions.
Intraday Return Item Detail	Access details of returned paper items before your account is charged for the returns.
Lockbox Availability	Determine your funds availability for all lockbox deposits.
Lockbox Detail	See detailed information about received lockbox payments from your customers. You can also view images from each deposit, including checks and remittance documents.
Wire Transfer Detail	Get complete details for all outgoing and incoming wire transfers, including: book transfers, domestic U.S. wires, and cross-border wires.

Transmission

You can receive current day BAI, SWIFT, and ISO 20022 XML files at various times throughout the day based on the times you specify during implementation.

We are unable to notify you in advance if a scheduled download is unavailable. If a scheduled download does not occur, you can contact your dedicated client service officer, Elvis Uzomah, for information and expected resolution time.

We provide full transaction detail on every transaction for easy identification and reconciliation.

Online and mobile information previous day reporting

The County can access prior day information through our online reporting service, mobile service, and by transmission. We update previous day information by 4:30 a.m. MT on business days, and by 6:30 a.m. MT on Saturday.

If there is a service interruption, we update the system as soon as possible, typically within 15 minutes, post updates to describe the problem, and provide expected availability.

Our previous day reporting includes all transaction types that post to your account. The following table includes a description of our previous day reports and the information they provide.

Available reports	
Previous day reports	With this report, you can:
ACH Customer Activity	Access ACH settlement information and adjustment details, by account, as well as a summary of return activity, to help you make more informed account management decisions.
Express Balance	Get a quick snapshot of your previous day account balance information, as well as your current available balance.
Loan Manager	Receive a consolidated view of your asset-based loan activity, including summarization of operating account, collateral account, and loan activity.
Month-to-Date Balance	View a daily summary of account balances, including averages, aggregate float, and total transactions posted to your account, for month to date, prior month, or a specific date range.
Previous Day Posting Status	Check this report throughout the day to see if previous day information is available for your accounts. This report can include information for Wells Fargo accounts and accounts at other financial institutions.
Previous Day Composite	Get a comprehensive view of previous day information, including balances, transaction summaries, and transaction details. You can also view images of checks.
Previous Day Return Item	View details of paper returns after we charge them to your account. You can also view images of each returned item.
Sweep Account Position*	Monitor your line of credit, view your investment position for the next day, see how sweep activity impacts your line of credit, and track dividend accruals.

*For Money Market Mutual Fund *Stagecoach Sweep*® and Credit Sweep customers only. Investment products are not FDIC-insured, are not deposits of or guaranteed by the bank, and may lose value. Deposit and credit products are offered by Wells Fargo Bank, N.A. Member FDIC.

DDA (Demand Deposit Account) cycled statements

The County can get comprehensive account information through our online banking portal with our Statements & Notices service. Our interactive service allows you to easily access your statements, notices, and legal disclosures online, so you can streamline your process and manage your time more efficiently.

With this service, you can set your default preferences to display your information on the various screens, including the home page, for each of the statements and notices supported. In one single request, you can retrieve and download your statements in an easy-to-read PDF format for viewing or printing.

Benefits

- Interactive one-stop access to your statements and notices
- Streamlined process – saves you time with personalized preferences
- Flexibility to retrieve multiple or individual statements and notices with one request
- Green solution – paperless delivery to help eliminate costs of handling and storage, and conserve natural resources
- Notifications* available by email or text through our Alerts service

*Legal disclosure notifications are not available.

You can access the statements, notices, and disclosures listed in the following table.

Document	Availability
Commercial Checking/ Savings account statements	Available one to two business days after your statement cycle's cutoff date ¹ for up to 13 months (current month and prior 12 months).
Multi-Currency Account (MCA) statements²	Available one to two business days after your statement cycle's cutoff date and for up to 13 months (current month and prior 12 months).
Client Analysis statements³ (CAS)	Available within two business days after your statement cycle's cutoff date and for up to 13 months (current month and prior 12 months). Our exclusive interactive statement allows you to select individual or multiple items to trend up to 13 months of analysis history.
DAN	Available for up to 180 days after the adjustment is processed.
Stop Payment notice	Available for 30 days after the stop payment is processed.
Stop Renewal notice	Available for 30 days after the renewal is processed.

Legal disclosures Available until the expiration date (included with your statements).

1. Statement availability varies by account type and services used.
2. Deposits held in non-U.S. branches are not FDIC-insured.
3. Client analysis statements are available in CSV, Excel, HTML, and ANSI X12 822 formats.

Account analysis statements

You can access your Interactive Client Analysis Statements through our online banking portal. This information is available within two business days after the statement cycle’s cutoff date. Features and benefits of this service include:

- Easily track costs and monitor trends
- Access statement data for 12 months
- Compare current balances, activity, and charges to prior months
- Drill down to more detailed views with flexible formatting such as HTML, PDF, Excel, CSV, ANSI X12 822
- View graphic representations of analysis data trends

Trend analysis

You can monitor account summary information for the current monthly statement and compare it with the previous 12 months to spot trends in checking account activity. You can access trending information both graphically and numerically as shown in the following images:

Select a range of months to perform trending for the selected criteria and click **Calculate**.

↑ If a statement was re-analyzed, trending can only be performed on the most recent statement date for that month.

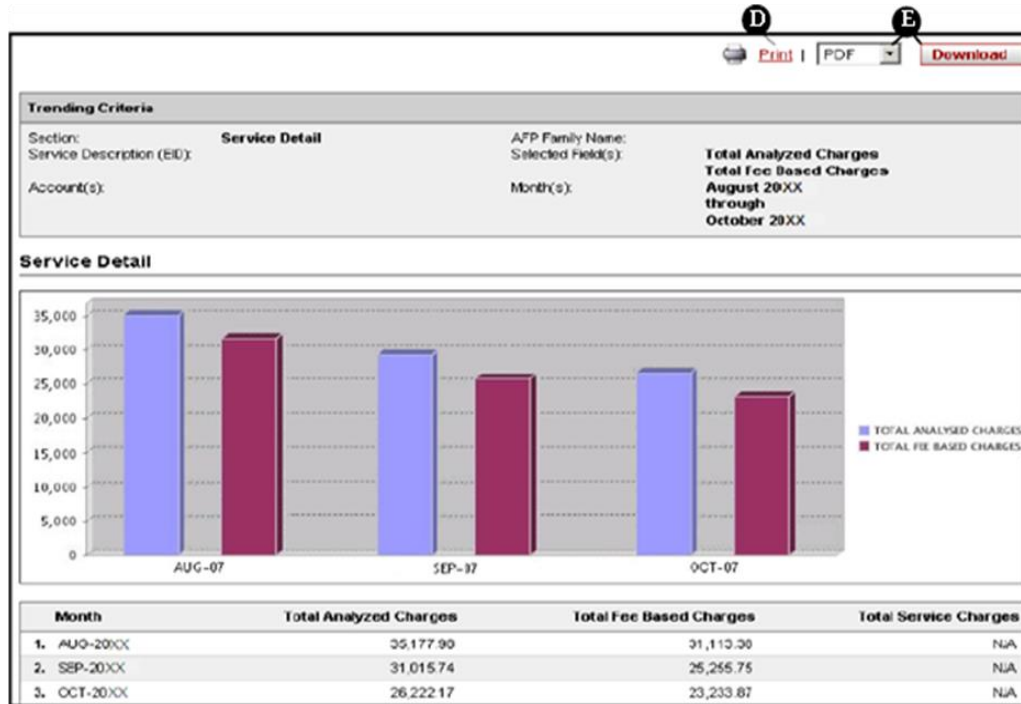
⊖ Required Field

Trending Criteria			
Section:	Service Detail	AFP Family Name:	
Service Description (ED):		Selected Field(s):	Total Analyzed Charges
Account(s)			Total Fee Based Charges

Month Range: ⊖ ⊖ Trend for an exact month or range of months ↑

OCTOBER 20XX through OCTOBER 20XX Refresh

Calculate



2.3.4 Monthly statements and account analysis

A monthly statement shall be prepared by calendar month and will be required to be submitted to the Treasurer by the 10th of the following month for all County accounts other than the daily statement of the servicing bank account. The monthly statement shall be available on-line by the first working day of the subsequent month. The Treasurer shall inform the servicing bank of the accounts for which the Treasurer desires a monthly statement. The Treasurer shall also identify the data to be included on the monthly statement.

The Treasurer shall be provided with an account analysis within 15 days after the end of the month. The analysis must detail all activity levels and charges for all accounts covered by any resultant Contract. Any activity information that is not part of the Contractor’s standard account analysis must be provided in a supplemental report form.

The account analysis statement must be presented electronically, downloadable in a PDF or an Excel spreadsheet, at no cost to the County.

The account analysis statement must include a consolidated report summary that shows the total activity levels and charges for all County accounts. The bank must provide sufficient details (such as item counts, rates, etc.) for all activity charges. The County and its representatives shall have the right to examine any records that support the account analysis charges.

Acknowledged and confirmed.

You can choose from a variety of formats and delivery methods for receiving your account analysis statements.

The following table indicates which delivery methods are available for each format.

Format	Online	Secure email	Transmission	Mail
HTML	X			
PDF	X	X		
ANSI 822 text 30-10 or 40-10 versions	X	X	X	
CSV	X	X		
Spreadsheet	X	X		
Paper				X

The following table lists the mailing dates and online availability of statements and optional reports.

Service option	Business days after cutoff: mailed	Business days after cutoff: available online
Full ARP statement		
Month-end cutoff	6 days	4 days
Non-month-end cutoff	4 days	4 days
Partial ARP statement		
Month-end cutoff	2 days	1 day
Non-month-end cutoff	1 day	1 day
Positive pay, full or partial ARP, and account statement		
Month-end cutoff	6 days	4 days
Non-month-end cutoff	4 days	4 days
CD-ROM with paid check images	11 days	NA

We do not offer microfilm copies and we do not return paid or cancelled checks to you with your statement.

2.3.5 Overnight sweep

The County does not currently utilize an automatic overnight DDA Sweep with all collected funds in excess of a designated balance swept into an investment fund but is interested in this process. Describe the overnight sweep account offered by the BANK including overnight investment options available to maximize the County’s potential earnings. Provide historical rates on your Sweep funds for the past 12 months. The County’s average balance sweep is \$15 million.



Sweep accounts provide you with an **automated solution for optimizing funds and earning interest** on balances invested overnight. Because investments are either overnight or short-term, the County has daily access to your money.

Once you determine a target amount (which can be zero), we sweep excess collected balances over the target amount from your checking account to an investment. Alternately, we sweep excess collected balances over the target amount to pay down a line of credit, depending on your cash flow needs.

Benefits	
Automated investment of funds	By sweeping automatically each night, our service eliminates the need for costly and time-consuming manual funds movement to and from investment accounts.
Accuracy of funds transfer	Sweep transfers occur after all the day’s debits and credits post to your account. This helps ensure that the sweep won’t accidentally overdraw your account.
Consolidated reporting	With all of our sweep options, you receive a monthly statement that includes information on your balances and the interest paid on your investment . We offer daily confirmations with our Preferred and Repurchase Agreement options. Our confirmations provide you with sweep transaction activity and daily rates. You can monitor your sweep activity online using our information reporting service. We can also deliver your statements and notifications electronically.

Money Market Mutual Fund Option

Our Money Market Mutual Fund Option* automatically sweeps excess collected balances into one of our Wells Fargo Money Market Mutual Funds:

- Government Money Market Fund (I-Share Classes)
- 100% Treasury Money Market Fund (Service Share Class)

Because funds stay invested until you need them, you can generate earnings without sacrificing access to your cash.

If your checking account balance is above your target balance at the end of the day, we'll automatically sweep the excess balance from your account into a FDIC-insured omnibus account[†] at the bank. At the beginning of the **next business day**, we transfer the funds to the money market mutual fund custodian. The custodian invests funds in a non-FDIC insured, non-bank guaranteed money market mutual fund.[‡]

[†] Funds transferred to the omnibus account are eligible for FDIC insurance up to the allowable limit. Additionally, government deposits remain collateralized in accordance with state or federal law. We hold funds in the County's name until released for investment the following business day.

[‡]This is just a summary. For complete information, please see the *Wells Fargo Stagecoach Sweep* Service Description and the current prospectus for the *Wells Fargo Funds*[®]. Wells Fargo Funds Management, LLC, a wholly owned subsidiary of Wells Fargo & Company, provides investment advisory and administrative services for *Wells Fargo Funds*. Other affiliates of Wells Fargo & Company provide sub advisory and other services for the Funds. The Funds are distributed by Wells Fargo Funds Distributor, LLC, Member NASD/SIPC, and affiliate of Wells Fargo & Company. Your investment in a money market mutual fund will be pooled with funds belonging to other investors in an omnibus investment account in the name of Wells Fargo as agent on behalf of all its customers invested in the money market mutual fund. An investment in a money market mutual fund is not insured by the FDIC or any other government agency. Although the mutual funds seek to preserve the value of your investment at \$1.00 per share, it is possible to lose money by investing in a money market mutual fund. In addition, mutual funds are not guaranteed by Wells Fargo and may lose value. For more information regarding the money market mutual fund investment sweep option, obtain a current prospectus for the money market mutual fund by visiting wellsfargofunds.com, by calling 1-800-260-5969, or by contacting your Wells Fargo relationship manager. Consider the investment objectives, risks, charges, and expenses of the investment carefully before investing. This information can be found in a current prospectus. Please read it carefully before investing.

***Not FDIC-insured, no bank guarantee, and may lose value.**

The County also currently uses our fixed income services. Please refer to Tab N in the Appendix section of our proposal for an overview of Wells Fargo Securities Fixed Income Market and Portfolio Strategy.

2.3.6 Conversion

Describe the overall plan your financial institution would coordinate to ensure a smooth transition from the current provider (Wells Fargo can disregard) including on-site training for the operation and use of the BANK's services and automated systems.

The good news is that as a current Wells Fargo customer, the County does not need to go through a conversion.

Keep in mind that changing banks can be a significant undertaking. While it is easy to quantify the pricing and interest or earnings credit component of a banking services proposal, it is much more difficult to assess the intangible, internal costs associated with moving your relationship to another bank. Not only will staff have to complete their standard daily work, but they will also have to focus on the bank move. Additional banking implementation responsibilities include:

- Understanding new bank processes
- Educating the new bank on your procedures
- Coordinating with your IT department for format and other changes
- Testing files and checks
- Contacting vendors currently drafting your account(s)
- Opening new accounts
- Closing old accounts
- Ordering new endorsement stamps, remote deposit machines, and supplies
- Learning new online systems and software
- Building payment templates

By renewing your contract with Wells Fargo, these implementation challenges and costs are eliminated. For the implementation of any new service enhancements arising out of this RFP, the implementation team will partner with your staff to develop the implementation schedule and document the process. They will work with you and manage the entire implementation process. In addition, your dedicated relationship, sales, and service teams will be engaged throughout the implementation process.

2.3.7 Positive pay

Navajo County is currently on Positive Pay and desires as part of the banking evaluation process to continue Positive Pay customers. One of the problems facing the County with regard to Positive Pay is the existence of Special Districts and small Fire Districts that are not on-line computerized with the Treasurer. Describe your Positive Pay services and include possible solution on how to deal with the entities that are not on-line.

The special districts and small fire districts don't have to be online with the County to take advantage of our Positive Pay service. We will meet with the different districts and provide options for using positive pay based on their ERP requirements.

We offer various options for sending check issue information through transmission, or manually key information directly into Fraud Manager.

Positive Pay

Our Positive Pay service identifies warrants that may be fraudulent or unauthorized (for example, counterfeit, not validly issued, or altered) by matching those presented against your account to your warrant issue information. Positive pay exceptions (warrants that don't match your information) are reported to you.

It's quick and easy to view images and make pay or return decisions at our online banking portal; our mobile imaging and decisioning service is available through a mobile device.

Teller Positive Pay

Integrated into our positive pay service options, this service gives our tellers online access to your positive pay warrant issue information, including warrant dollar amounts and serial numbers. Tellers will use your issue information to validate warrants presented for encashment. If you use positive pay with payee validation, the payee name information will also be available for tellers to use when validating warrants.

Payee Validation

You include payee names in your warrant issue information, and when your warrants are presented for encashment¹ at a Wells Fargo store or through warrant clearing, we will validate that the payee name on the presented item matches the payee name on your issue record.

¹If the payee is not a Wells Fargo customer, they will be charged a warrant cashing fee when a warrant is presented for cash at a Wells Fargo location. Alternatively, the County has the option to pay the warrant cashing fee as part of your account analysis.

2.4 Automated Clearing House (“ACH”)

The County requires that the successful BANK provide an assigned, responsible officer and back up officer to handle the County’s transactions and act as liaison to various county agencies utilizing the services of the servicing bank. The successful BANK will also ensure that a certified ACH professional with the “AAP” designation will be available for planning and implementation of electronic debit and credit transactions.

Acknowledged and confirmed.

Wells Fargo provides our highest level of customer service through a dedicated government relationship team with experience working with local county governments. Our goal is to always have someone available who knows the County and can assist with any questions you may have.

As one of the largest financial institutions originating ACH transactions, your dedicated relationship manager, **John Musto**, has access to our product and operational team to address any needs or questions. In addition, John is directly supported by:

- **Mauricio Chavez, Relationship Associate** – You can call Mauricio whenever John is out of the office or unavailable. He can help you with account maintenance, signature changes, and questions.
- **Michael Bradley, Treasury Management Consultant** – Michael leads our government treasury management team and provides customized technology solutions that make your financial processes easier and more efficient.
- **Elvis Uzomah, Dedicated Client Service Officer** – Elvis is your dedicated expert on all your treasury management questions. Whether it’s researching a transaction or resetting a password, you always have an online banking portal expert available to assist.

Please refer to the Qualifications section for the biographies of your relationship team.

2.5 Business activity services

The servicing bank shall also provide the following services:

2.5.1 Cashier’s checks, drafts, domestic and foreign payment orders upon request.

Acknowledged and confirmed.

Cashier’s checks

Cashier’s checks are offered in our branches as a standard product offering with a threshold of 10 checks per branch per week. If a larger volume is required, you can work with your treasury management consultant, Michael Bradley, for support.

Foreign payment orders

You can initiate foreign currency payments from an account denominated in a different currency through our online wire, foreign exchange, and consolidated payables services.

With our online wire service, you’ll see an estimated exchange rate at wire initiation. You’ll approve a confirmed exchange rate during the wire approval process. You can also include an existing contract to the wire during initiation.

Our online foreign exchange service displays a real-time foreign exchange rate that you can accept or decline for each transaction. Alternatively, you can contact a foreign exchange specialist to obtain a contract rate. All payments greater than \$100,000 require a contract.

For wires originated using our consolidated payables transmission channel, you can call our foreign exchange specialists for a contract rate. The specialists provide a contract number that you can include with the wire.

In order to provide you with competitive market rates, we determine our rates based on a composite from various rate indicators around the world. We update rates throughout the day.

2.5.2 Research and resolution of discrepancies to the benefit of both parties. Respond to inquiries that concern the servicing account in a timely manner.

You can initiate and track inquiries using the following methods.

Phone

During business hours, the County can call your dedicated client service officer Elvis Uzomah. You have the option to leave a voice mail 24 hours a day, 7 days a week.

Email

You can also email Elvis at his direct email address using your own email system.

Security measures

Treasury Management Client Services authenticates the County and requires you to verify certain information that only the County would know. For internal audit purposes, your client service officer documents which authentication methods were used.

If you contact us through the County's email system, we authenticate your email using the same method we would for a phone call. If you don't provide all the required authentication items, we send a secure email back to you and ask for the additional information before we begin to handle the request.

Whenever we transmit sensitive or confidential text and attachments by email, we use a secure messaging system that encrypts all emails — protecting your information while it's in transit. To read a secure email from Wells Fargo, you must be connected to the internet. You receive secure emails in your regular email inbox, and the same security image displays each time.

We have established turnaround times for research and adjustment items. The time it takes to respond to a request varies depending on the specific issue and on the type of transaction we're researching. In general, we make every effort to complete research requests for transactions processed within the previous 180 days within three business days.

2.5.3 Coordinate the ordering and printing of all encoded warrants; the cost of which shall be applied against any earnings credit, at the Treasurer's discretion.

Acknowledged and confirmed.

You can purchase deposit tickets and other supplies such as deposit bags, cash straps, and coin wraps through our supply order desk. We'll debit your account to handle fees for the deposit supplies. Alternatively, you can purchase these supplies from your own supplier.

2.5.4 Replace damaged, lost, or temporarily misplaced items such as documents, cash items and/or data processing media and files.

Acknowledged and confirmed.

Wells Fargo can retrieve images of items that have been deposited as needed for up to seven years from the processing date. We will also recreate or replace files such as reports, as needed, if the County notifies us within the appropriate time frames for the type of file needed.

2.5.5 Upon request of the Treasurer, MICR encode each deposit slip with a numerically sequenced number and electronically transmit the account number, deposit number, and amount to the Treasurer.

Acknowledged and confirmed.

We can report these numbers electronically or on paper using our Deposit Location Reporting service in conjunction with our partial or full ARP service.

In addition, deposit numbers can be reported using the Previous Day Report. The report can be customized to include the desired information and can be downloaded to your system in Excel, BAI V2, or CSV formats.

2.6 Minimizing “float”

The Treasurer desires to minimize the time deposited items that are held by the servicing bank before posting to the appropriate Treasurer’s account. This is especially significant with deposits of large out-of-state checks. Accordingly, the Treasurer requires that the servicing bank describe the steps and procedures it will take to minimize this time period, otherwise known as the “float.” Additionally, describe the length of any “float” period. At a minimum, the following guidelines will apply:

Acknowledged and confirmed.

Regarding availability schedules, we:

- Determine and calculate availability of deposited items based on our optimal check clearing and collection process.
- Give immediate availability for on-us items, except for our controlled disbursement items (which are available on the following business day).
- Calculate availability on an item-by-item basis according to the routing transit number on the check, the deposit location, and the time of day when you deposit the item.

Most of our customers use our standard accelerated availability schedule. We offer alternate schedules on a case-by case basis. We will work with you to ensure you have the most appropriate availability schedule for your account.

We review our availability schedules annually.

Please refer to Tab O of the Appendix of our proposal for availability schedules.

2.6.1 For deposits of items drawn on the servicing bank, large checks (in excess of \$100,000), wire transfers, ACH deposits, cash, and coin deposits, funds shall be available on the same day.

Our cutoff times vary based on where you make your deposit: at a branch, from your online portal, or at a cash vault.

Branch deposit services

- **Deposit-taking ATM**— ATM deposits made before 9:00 p.m. local time will be posted on the same business day. You receive credit the next business day for deposits you make after the deadline, on weekends, and on federal holidays.
- **Night depository** — Once we process your deposit, you receive same-day credit for cash and check deposits made prior to the cutoff time.
- **Teller line** — You receive same-day ledger credit for both cash and check deposits made by branch closure, local time.

Proximity study of branch depository services

The branches identified in this table are closest to your locations and can support your commercial deposits for cash and checks.

Branch	Address	Distance from main location
Holbrook Traditional branch 928-524-6275	266 Navajo Blvd. Holbrook, AZ 86025	1.55 miles
Snowflake Traditional branch 928-536-4311	9 N. Main St. Snowflake, AZ 85937	29.35 miles
Winslow Traditional branch 928-289-4626	210 W. Second St. Winslow, AZ 86047	33.89 miles
Winslow Offsite ATM	1531 North Park Dr. Winslow, AZ 86047	34.33 miles
Show Low Offsite ATM	161 E. Deuce of Clubs Show Low, AZ 85901	49.33 miles
Pinetop Traditional branch 928-367-6320	1551 E. White Mountain Blvd. Pinetop, AZ 85935	59.3 miles
Whiteriver Offsite ATM	Hwy. 73 Main St. Whiteriver, AZ 84941	82.21 miles

Flagstaff Humphreys	1000 N. Humphreys St.	91.27 miles
Offsite ATM	Flagstaff, AZ 86001	
Northern Arizona University	201 W. University Bldg. 30	91.78 miles
Offsite ATM	Flagstaff, AZ 86001	

Remote deposit

You will receive same-day ledger credit for deposits you submit by 8:00 p.m. MT; we do not offer a later deadline. Deposits you submit after our deadline receive ledger credit on the next business day.

ACH

We retrieve ACH activity multiple times per day and memo post received ACH credits approximately 30 minutes after our system processes ACH activity. We apply the actual credit to your account after the close of the business day. Collected funds are available to you at the start of the next business day.

We post the credit settlement entry for originated debit transactions at the start of the business day shown on the effective date of your file.

Wire transfer

We accept incoming wires from the Federal Reserve until 4:00 p.m. MT and credit them the same day.

2.6.2 For deposits of items drawn on any other financial institutions with branches in Arizona, funds shall be available on the next day.

Availability schedules are offered based on the deposit channel, such as branch and remote deposit.

Please refer to Tab O of the Appendix of our proposal for availability schedules.

2.6.3 For all other deposits, funds will be available based upon the most expedient Federal Reserve availability schedule.

Please refer to Tab O of the Appendix of our proposal for availability schedules.

2.7 Electronic payment via internet (e-checks/debit cards)

As a convenience to taxpayers, and in recognition of the change in customs and practice regarding the payment of financial obligations, the Treasurer requires the ability to offer the taxpayers the capability to pay their property tax through the Internet (“on line”). Describe in detail the type of application your bank would use to accommodate this request along with the additional cost, if any, for such service. This service is to include payment by credit card, e-check, online bill-pay (ACH) and any other emerging technology that may be specifically suited toward this endeavor. The BANK will make available, in a timely manner, “dedicated” contacts for; programming, business technical support and other liaisons directly related to implementation of this service. The Treasurer’s dedicated technical liaisons will provide file layouts and record definitions as needed. (25-30 payments per day with an average of \$221.00 per transaction)

Online bill payments provide a convenient, simple, and paperless way for your customers to pay you. However, many bill payments initially submitted online can still end as mailed paper checks by bill service providers. These check payments create exceptions and often have incomplete or inaccurate remittance details, which can result in further processing delays for you.

Our electronic lockbox service repairs exceptions and merges all your customers’ online bill payments into a consolidated electronic remittance file.

You use the file to **automatically** update your accounts receivable system and apply credits to your customers’ accounts.

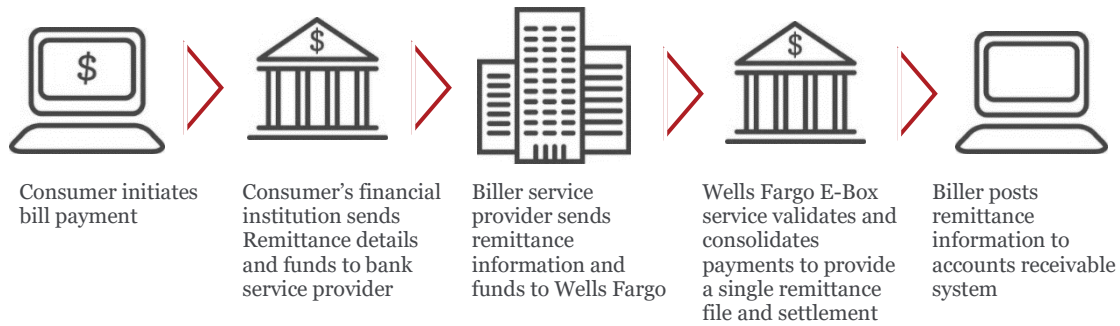
With our service, you can increase your straight-through processing rate of receivables and **minimize your staff’s time spent handling exceptions.**

Our electronic lockbox service accepts payments from all major bill service providers, consumer credit counseling centers, and walk-in bill payment providers.

How it works

When you sign up, we’ll notify the bill service providers in our network that you can receive payments through our electronic lockbox service. The following graphic shows the flow of a bill payment through the various channels using our electronic lockbox service.





The County receives a single ACH credit to your deposit account.

Automated payment validation

To improve the quality and standardization of the remittance file you receive, you can instruct us to use one or more validation routines to identify, filter, and repair invalid payments or other exceptions.

We'll suspend payments that include errors or exceptions. You'll have the option to review the suspended payments online and decide what to do with them. You can also simply instruct us to reject and return payments that don't meet your validation routines to the originator.

The following shows examples of the validation routines the County can choose from.

Validation routine	Description
Account mask	Confirms that the inbound account number matches your billing account number structure.
Check digit*	Uses a mathematical equation to determine if an account number is valid.
Cross-reference database processing	Translates consumer-initiated account numbers we receive and corrects the account number prior to validation and processing. This database can correct inaccurate account information your customer enters and can make account number changes that may occur due to a merger, acquisition, or system change.
Positive file processing	Compares inbound account numbers to a file of valid account numbers you provide.
Stop file processing	Compares inbound account numbers to a file of unacceptable accounts you provide.

*Applies to credit card billers.

Online payment management and research

Manage payments

With our electronic lockbox service, you can perform the following functions online:*

- View exception payments
- Initiate returns on exception and processed payments
- Update processed payments requiring account number changes for future processing
- Make decisions about exception transactions, including repairing payments with invalid account numbers
- Update your cross-reference database with valid account numbers and generate notifications of change (NOCs) to payment originators

*The functions you can perform depend on the features you select during implementation.

Dual control

For added security, a second person can review and approve all changes initiated by another user.

Research

The County can view and research processed payments and access information for reporting and trend analysis.

Payment history

You can locate transactions using the search criteria in the following table.

Search criteria		
Account number	Billor ID	Processed date
Amount	Consumer name or account number	Trace number

You can access all successfully processed payments for the previous 180 days. You can view and print full record-level data in HTML and PDF formats, and export data for manipulation and analysis in XLS and CSV formats.

Reporting

Our Return and Repair report provides a detailed, payment-level audit of all user activity performed during the past 180 calendar days. You can tailor it to show only payments that meet your search criteria.

You can view and print activity in HTML and PDF formats, or export in CSV and XML formats.

Option - Request servicing bank to provide separate P-Card (credit card) service pricing. This option is to provide P-Card service to Navajo County. The County currently uses Wells Fargo P-Cards. The County has approximately 500 P- Cards in current use with a yearly estimated usage of \$3.0M.

The County can continue to use the *WellsOne*® Commercial Card solution.

- **Discuss and itemize all fees and costs related to the program that will be charged or withheld from the County, other agencies and vendors and how the fees will be collected.**

Please refer to Tabs A and B in the Appendix section of our proposal for associated fees and costs.

- **Rebates – Provide information on available rebates. Discuss if the County will receive rebates and the percentage of rebate offered. Offerors should state proposed percentages and on what dates(s) rebates will be paid to the County.**

Please refer to Tabs A and B in the Appendix section of our proposal for rebate information.

- **Payment- Provide information on grace periods, how many days the County will have to process payments, any related fees and charges and penalties for late payments.**

Billing cycle

Our normal billing cycle is monthly, but we can bill you weekly or twice monthly with flexible end dates. We can accommodate variable fiscal periods, so the County can determine the specific time of the week or month to pay. You will select your billing cycle during implementation.

Statement delivery

You can view your statements online or download them in Excel or PDF formats. Program administrators receive an email notification that a statement is ready on the business day following the close of the cycle.

Terms

Your payment terms are set at contract agreement. Our standard is seven days from cycle ending. You can elect to have the payment debited any time after your statement period closes. Shorter terms or more frequent payment schedules may positively affect your revenue share schedule.

Payment

We will debit your account for payment by ACH with the frequency and cycle cutoff date you determine during implementation.

2.8 Credit card transactions

For convenience, many taxpayers desire to pay their property tax by credit card. The Treasurer is prohibited by statute from absorbing, or reducing, the amount of the property tax by the discount fee, or similar fee, charged by the credit card companies as consideration for the use of the credit card. As such, the servicing bank must be able to separately charge any requisite convenience fee imposed by a credit card company. As part of the RFP, state the maximum percent your bank would charge for such convenience fee. If this fee varies, be specific in the charges. Additionally, describe the manner by which such fee would be charged. Further, provide the discount rate the Credit Card Companies offer the BANK. At this time, Navajo County currently uses VitalChek for credit card transactions.

Our electronic bill presentment and payment service provides a **secure** and **convenient** option for **your customers to view and pay their bills online**.

It helps you reduce:

- Collection time
- Manual exception processing
- Days' sales outstanding
- Receivables processing costs

At the same time, it lowers your print and mail costs because fewer customers will require paper bills. Additionally, convenient email and mobile phone bill notifications remind your enrolled customers that payments are due.

The service, which hosts the bill payment webpages, is cost-effective, easy to implement, and branded to your identity.

A **turnkey solution** that **works with your existing systems** and doesn't require webpage development or extensive support from your information technology resources.



Flexible bill presentment and payment options

At implementation, you choose the configuration options that are most efficient for your organization and meet your customers' expectations. This can increase the likelihood that your customers will choose to view and pay their bills electronically.

Decide how much information your customers see

You can provide your customers with detail or summary bill presentment in HTML format, or you can provide PDF bill presentment. The payment page displays:

- A list of open bills
- Amount due
- Due date
- Invoice number
- Other optional fields, for example, a purchase order number

Detail presentment

You can provide up to 37 billing information fields, including several fields that you can customize. The fields include line item details about what was ordered and shipped, unit price, and the previous balance that is past due.

Summary presentment

With the summary presentment option, you can provide high-level billing information such as the information fields listed in the following table. In addition to the standard fields, there are several customizable fields.

Billing information fields

- | | |
|------------------|--------------------|
| ▪ Invoice number | ▪ Previous balance |
| ▪ Invoice date | ▪ Current balance |
| ▪ Amount due | ▪ Total amount due |
| ▪ Due date | |

PDF presentment

If you'd like your customers to view an exact replica of your invoice, the service can present the invoice in PDF format. We offer several options for providing invoices in PDF format. We'll discuss the options with you during implementation.

Sending us your data

You can use the following options to provide your billing data.

Application programming interface (API)

You can provide your billing data in real time through an API that uses:

- Representational State Transfer (REST) for communication
- JavaScript Object Notation (JSON) messaging format
- OAuth 2.0 authorization protocol

Your customers can view their billing information immediately, 24 hour a day, 7 days a week, depending on the County's internal system configuration.

Batch files

You can submit your bill files in comma separated values (CSV) format using one of our secure internet transmission protocols or through the service's administrative portal.

If we receive your bill files by 9:00 p.m. MT, your customers can view their billing information the next business day.

Choose the payment channels available to your customers

Online



Your customers will access our service through a link on your website, or by bookmarking our online presentment and payment URL. We host the website, and it's branded with your logo.

When customers access the website, they can select one of three languages: English, Spanish, or French. This can increase customer engagement and reduce the number of calls to your customer service representatives.

Interactive voice response



As part of the electronic bill presentment and payment service, you can choose to offer an interactive voice response (IVR) phone option for your customers to make payments. When your customers call the toll-free number, the system will prompt them to enter the information needed to process the payment.

With the IVR interface, you can choose from several configurable options for the call flow, including an option for callers to opt out and speak with one of your representatives. The IVR option supports English and Spanish.

We provide you with the payment data for IVR payments and website payments in the same file. You can also access the payment data through the service's online administrative portal.

Telephone payments made through your customer service representatives



Your customer service representatives can accept payments over the phone and process them through the administrative portal of the bill presentment and payment service.

Notifications encourage prompt payments

When your customers enroll for electronic bill presentment and payment, they'll receive notifications that remind them to view and pay their bills. Notifications are available by email or through your customer's mobile wallet.

Email notification

We offer the following types of email notifications for enrolled users

- Ready-to-view bills
- Scheduled payments
- Processed payments, including confirmation number
- Expiring credit cards
- Past due bills

The email includes a link to the login screen. Once the payer logs in, he or she can view billing information.

Mobile wallet

Your customer can add the County's bills to a mobile wallet.* Notifications on the phone screen remind the customer to view and pay the bill. He or she taps on the View Bill or Pay My Bill button to access the website and make a payment.

Mobile wallet notifications have an advantage over email because notifications won't get lost in the customer's inbox.

*The service is compatible with iPhones, iPads, and Android devices. Android devices require your customers to do additional setup to view notifications.

Accept payments from enrolled users and one-time payers

You can choose to accept payments from customers enrolled in the online service and those making one-time online payments.

Enrolled users

Enrolled users can save payment methods, set up recurring or future-dated payments, and view their online payment history.

One-time payments

Customers can make one-time online payments, but not save their payment methods. These customers won't have access to online payment history.

Accept multiple payment types

You can increase customer satisfaction by accepting a variety of payment types. With our electronic bill presentment and payment service, you can accept:

- Electronic check (eCheck) payments
- Major credit cards (Visa®, Mastercard®, Discover, or American Express®)
- Debit cards (with the Visa or Mastercard logo)
- Corporate and purchasing cards (Level III data supported)

A planned future enhancement to our service will also let you accept online digital payments like Amazon Pay and PayPal.

Keep card information up-to-date

Maintaining updated card information for electronic bill presentment and payment users can increase customer satisfaction and minimize declined transactions. However, even if prompted by email, the payer may not update his or her card expiration date or card number.

You can take advantage of a service that automatically updates information for Visa and Mastercard cards used within a predetermined number of days in the past, or expiring within a predetermined number of days. The service updates card information once per month.

Receive fast funds availability

Funds for payments processed before the cutoff time are typically available in your Wells Fargo account on the next business day.^{1,2} You can choose a cutoff time of 6:00 p.m. MT or 4:00 p.m. MT.³

1. This should not be construed as a guarantee of next business day funds availability.

2. Visa, Mastercard, and Discover card transactions and eCheck only. American Express card transactions settle in one to three business days depending on the County's contract with American Express.

3. You choose the cutoff when we implement your service.

Online reports and search capability

Reports

Through the administrative portal, you can access a variety of reports, including:

- User reports that provide information about your customers' payment activity, status, and enrollment
- Financial reports that provide information about deposits and payment batches
- Bill payment and management reports that show payments, recurring payments, suspended payments, and stops
- File management reports that show the status of your billing files

Online reports are available 24 hours a day in real time. You can download reports in CSV, Excel, and PDF formats. In addition, you can customize the columns and filters for further analysis.

You have access to 12 months of payment and invoice history.

Search capabilities

To assist with customer inquiries, the County's customer service representatives can search and query by date range, customer ID, payment amount range, and invoice number.

Streamline receivables posting

You'll receive all of the information you need to **post and reconcile payments**, including:



- Your internal customer reference number, for example a customer or account number
- Payer's name
- Payer's email address
- Invoice number
- Amount paid per invoice number
- Fee amount (if applicable)
- Total amount paid, includes multiple invoices and fee amounts (if applicable)
- Payment method and channel

In the following paragraphs, we describe the options you can choose for receiving this information.

Receive a daily accounts receivable file

To streamline receivables posting and reconciliation, you receive a daily* accounts receivable file that automatically uploads to your ERP or financial system. The file provides details of your online bill payment activity including:

- eCheck payments and returned items
- Credit card payments
- Debit card payments
- Remittance information for all payment types

The accounts receivable file is available in a fixed-width flat file or in a pipe-delimited flat file. If you need a customized file to integrate with your system, you can use our consolidated receivables service.

You will receive this file by secure file transmission. As an alternative, you can download it in CSV format through the online administrative portal of our bill presentment and payment service. Your accounts receivable file is available four hours after your daily cutoff time.

*Excludes Federal holidays and weekends.

Memo post payments with real-time payment notification*



Using an API, you can receive real-time payment data that your representatives can use to help provide a better customer service experience for your payers.

Our system sends the data to a URL that you provide, letting you automatically memo post payments to your receivables system. The real-time data includes the same information you’ll receive in the daily accounts receivable file.

*Payments can be cancelled up to 15 minutes before your daily cutoff time. Therefore, we recommend that you use the real-time data only to memo post payments, and use the daily accounts receivable file for final posting and reconciliation.

Consolidate electronic bill payments with other payments you receive

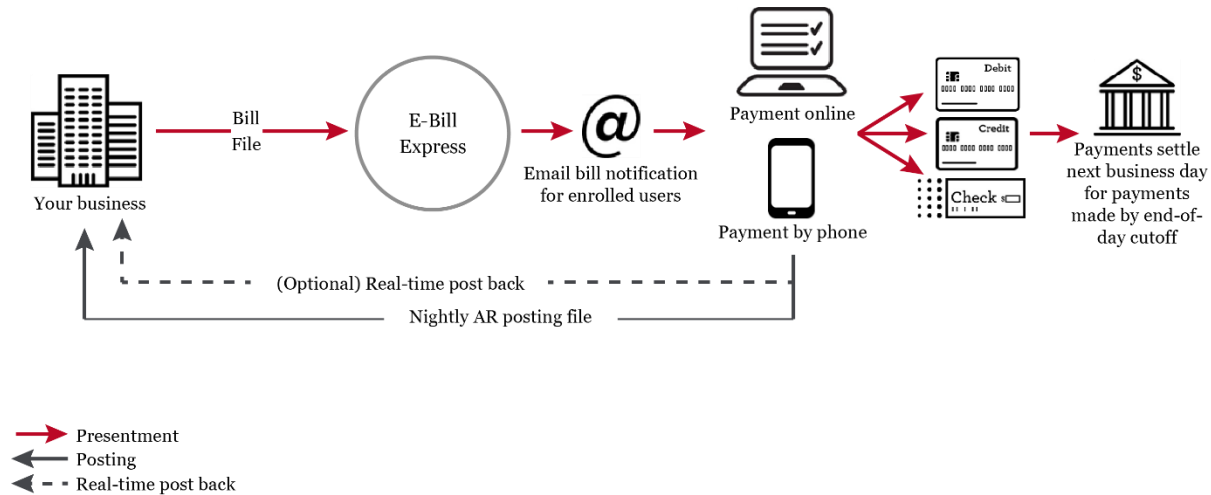
You can receive a consolidated receivables file that combines payments processed through our electronic bill presentment and payment service with other payments received in your Wells Fargo account. You can use the file to automatically post payments to your ERP platform or financial system.

Your consolidated file can include information on payments received through the sources listed in the following table.

Payment sources	
▪ ACH	▪ Image cash letter
▪ Wires	▪ Electronic billing service
▪ Lockbox	▪ Patient payments
▪ Remote deposit	▪ Multicurrency account (MCA) wire*

*In pilot.

How electronic bill presentment and payment works



2.9 Currency requirements

The servicing bank will be required to provide from time to time currency in amounts ranging from \$1,000 to \$5,000. The denominations will be specified at the time of the request. The servicing bank will be given twenty-four (24) hours notice whenever possible. The Treasurer will work closely with the security department at the servicing bank to outline precise procedures. The servicing bank will state the fees for this service.

You can place coin and currency orders through automated methods. We debit your account the day that we fill your orders and include your location numbers (if applicable) on your electronic reports and statements.

Deposit and change order procedures

Telephone

On a single phone call, you can place multiple orders for one or more locations, up to your daily limit. You can place orders up to 180 days in advance. You'll enter your location ID and password and then the bank's automated system guides you through the ordering process. The County will receive a confirmation number at the conclusion of placing the order.

To ask about the status of an order, change an order, or cancel an unfilled order, you'll use the confirmation number to initiate the request.

Security feature

The County can establish a maximum order limit per location, which can help keep your account secure.*

*The maximum number of orders per delivery day cannot exceed 10 orders per location or profile.

Online banking portal

When you use our online banking portal, you can place orders for up to 10 locations at a time, up to 30 days in advance. You sign on with your company ID, user ID, and password; enter the amount of currency and coin you need; and then verify and submit your order.

We provide a confirmation number. You'll use it to view, edit, or delete an order. We accept edits and deletes until 10:00 p.m. local time,* the night before your armored courier picks up the order.

You can use our batch process to place up to 1,000 cash orders at one time. You'll download and fill out our spreadsheet template and then upload the file to our cash vault. Once our system verifies the file, it immediately sends you a file transfer confirmation message and number. Within 30 minutes, the County will see the status of your order on the Cash Vault Announcements page on the online banking portal.

*Large orders may require advance notice to process.

Security features

The bank's secure, online banking portal features:

- Account lockout — our system will lock out a user account, if there are too many invalid password attempts
- Authentication — we require multiple sign on identifiers
- Timed log off — our system will automatically log off users during periods of inactivity

2.10 Collateral requirements

Collateralization will be required as per A.R.S 35-323.

This collateral may be required with same day notification. (The Treasurer will try to give the servicing bank its best estimate the day prior). Collateral must be pledged or confirmed prior to the daily delivery of deposits. Additional securities required to guarantee deposits shall be deposited immediately when the percent of market to deposits is less than 101%. (Refer to A.R.S. 35-323). Collateral for deposits must be held by the Federal Reserve Bank in the name of the Treasurer and meet all current FIRREA requirements. This includes a signed authorization from the bank's Board of Directors stating the approval and knowledge of collateral requirements, and transmittals for the County.

The County reserves the right to review all pledged collateral and approve the substitution of any item.

All public entities in the State of Arizona will be collateralized under the pooled program administered by the pool administrator. Collateral is pledged at 102% and current custodian is at Bank of New York Mellon.

2.11 Wire transactions

2.11.1 The servicing bank shall provide on-line and optional voice (telephone), access for all outgoing wire transfers.

Acknowledged and confirmed.

As the County uses today, we offer both online and telephone wire transfer services. In the following paragraphs, we describe the initiation and approval process for each of our wire service options. In the last paragraph of this response, we describe the release process, which is the same for all wire initiation methods.

Telephone

Initiation

Users will call a single toll-free number and provide an account number, personal identification number (PIN), and voiceprint. We validate the information using our voice response unit (VRU).

You can complete repetitive wires set up on our system through the VRU. You'll be connected to a team member in the wire department to complete free-form wires.

Approval

To help ensure the safety and accuracy of your telephone-initiated free-form wire transfers, you can choose to use our optional callback approval procedure. We'll call a designated approver prior to releasing telephone-initiated free-form wires. We'll release the wire after the approver provides their PIN and voiceprint.

Online and mobile wire transfer

Initiation

To sign on to our online banking portal or mobile service, you'll use a company ID, user ID, and password. Then you'll enter a PIN and token code. Once authenticated, you can perform wire functions based on your authorizations. Functions include initiating repetitive or free-form wires and approving wires. We include the steps to create and submit wires in the following table.

Repetitive wires*	Free-form wires
<ul style="list-style-type: none"> ▪ Access the appropriate template by searching or selecting from a drop-down list. ▪ Enter information not built into the template (for example, the value date or amount). ▪ Submit the wire. You'll receive a confirmation that you can print. 	<ul style="list-style-type: none"> ▪ Input all required wire transfer fields. ▪ If needed, you can use our bank lookup feature to search for financial institution information, for example the bank routing number, and insert it into the appropriate field. ▪ Submit the wire. You'll receive a confirmation that you can print.

*For repetitive wires, you must set up the wire template in advance.

Approval

You can approve free-form and repetitive wires through our online and mobile wire transfer services. You can customize your setup to require up to four approvers. You can also require an additional approver for wires over a specific dollar amount.

We display items that require approval in the Pending Payments queue. From there, you'll see all pending wires for your authorized accounts. You can approve or reject one or more wires from the Pending Payments summary list based on your approval authority. Before approving or rejecting a wire, you can also review full wire details and modify the wire (if you have the authority). After all required approvals are in place, we'll release the wire.

Consolidated payables transmission or upload

Initiation

You can transmit or upload a consolidated payables file in a standard or custom format to initiate wires.

Approval

You can choose to require secondary approval for some or all of the wires you send by consolidated payables file. You can require an approval at the file or transaction level through our online consolidated payables service.

Our consolidated payables service sends emails to each approver when we receive your file, when payments remain awaiting an approval, and when payments expire without an approval.

We describe the approval steps at the file and transaction level in the following table.

Approval steps at file level	Approval steps at transaction level
<ul style="list-style-type: none"> ▪ Select the file ID to view the details of the file ▪ Select to approve or delete the file ▪ Select submit or cancel 	<ul style="list-style-type: none"> ▪ Select the file ID to view the details of a file ▪ View the transactions ▪ Select the checkbox next to the transaction to approve or delete ▪ Select submit or cancel

Automatic standing transfer

Initiation

You'll complete paper setup forms for standing repetitive wire transfers and drawdowns. On the specified dates and times, we'll automatically initiate an outgoing or drawdown wire transfer.

Approval

Once you have completed the setup forms authorizing your scheduled transactions, we require no further intervention or approval from the County.

Release process

Our wire transfer system automatically verifies there are adequate funds available to process the wire, and performs all standard security and risk checks. For example, our system verifies that the transfer is not going to a country or beneficiary on the U.S. Treasury's OFAC Specially Designated Nationals and Blocked Persons list. Once approved, our system releases the wire immediately.

2.11.2 The servicing bank shall provide repetitive wire transfer capability for all on-line and voice transfers.

Acknowledged and confirmed.

See the detailed information in our answer to question 2.11.1.

2.11.3 The servicing bank shall provide detailed on-line reporting of outgoing and incoming wire transfers, including, but not limited to: the originator, the name and ABA number of the sending or receiving bank, the amount, the beneficiary name and account number and any additional instructions.

Acknowledged and confirmed.

Through our online information reporting and direct file transmission services, the County can access detailed current day information on your incoming and outgoing wire transfers listed in the following table.

Wire information included	
Account name and number	Receiving and originating bank
Corresponding bank	Transaction status
Currency	Value date
Fed or SWIFT reference number	Wire amount
Internal reference of confirmation number	Wire text
Process date and time	


Online reports

Wire Transfer Detail report

This report provides comprehensive current day detail for all outgoing and incoming wires, grouped by type: book transfers, domestic wires, and international wires. Field descriptions in the report to make it easy to identify the information you're looking for.

You can tailor the report to show as much or as little detail as you need.

Sample Wire Transfer Detail report

 Custom 02/28/20XX 01:25 PM ET CUSTOMER ID: WELLS OPERATOR ID: HENRY		HENRY WELLS, INC. Wire Transfer Detail Report As of 02/28/20XX		
Commercial Electronic Office® <i>Note: Intraday information subject to change</i>		Treasury Information Reporting		
Currency: USD Bank: 121000248 Account: 12345(CA)		WELLS FARGO BANK, N.A. WIDGETS, INC. / CONCENTRATION ACCT		
Credit Wire Amount	Process Date	From	Corresponding Bank:	Status
66,001.00	02/28/20XX 09:17 AM CT	FEDWIRE ANYBANK USA, N.A. XYZ CORPORATION N/A	N/A	COMPLETE
Wire Service Reference Number: 0228X1X2HUIX009999 Wells Message Number: XX0228011111 PC Reference Confirmation Number: 999-88-777777XX Value Date: 02/28/20XX Wire Type: 195 Wire Amount: 66,001.00 Transaction Reference Number: XX0228011111 USD Equivalent Amount: 66,001.00 Originator ID: 99999988765 Originator Name and Address: XYZ CORPORATION 100 MAIN STREET ANYTOWN USA Instructing Bank Code ID: N/A Instructing Bank Name and Address: ANYBANK USA, N.A. 500 MAIN STREET Sending Party ID: 88888888 Sending Party Name and Address: SENDING BANK, N.A., NEW YORK, NY 222 23RD STREET WEST NEW YORK NEW YORK 10001 Bank to Bank info: N/A Beneficiary Bank Code ID: 77777777 Beneficiary Bank Name and Address: WELLS FARGO BANK NA 999 MAIN ST EVERYWHERE Originator to Beneficiary Info: INVOICE NO. 6677890 DATED 21DECXX		Instructed Currency/Amount: USD/66,001.00 Exchange Rate: 1.000000 Fed CHIPS SWIFT Reference Number: 0228X1X2HUIX009999 Completed Timestamp: 02/28/20XX 08:37 AM CT Sender Reference Number: 20XX022800666666 Originating Bank Code ID: N/A Originating Bank Name and Address: ANYBANK USA, N.A. 100 MAIN ST ANYTOWN, USA Receiving Party ID: 0000000012345 Receiving Party Name and Address: WIDGETS, INC. / CONCENTRATION ACC 123 MAIN STREET ANYTOWN CA 00000 Intermediary Bank Code ID: N/A Intermediary Bank Name and Address: N/A Beneficiary Code ID: N/A Beneficiary Reference ID: 12345 Beneficiary Name and Address: WIDGETS INC 123 MAIN ST ANYTOWN, CA 00000 - USA CALIFORNIA (USA)		
66,001.00 Account Net Total 66,001.00 Net Total For Bank 121000248(USD) 66,001.00 Net Grand Total For Currency (USD)				
--- END OF REPORT ---				

Intraday Composite report

You'll receive balance, summary, and detailed information on all transaction types, including wire transfer detail.

Sample Intraday Composite report

	01/15/20XX 02:05 PM ET CUSTOMER ID: WELLS OPERATOR ID: HENRY	HENRY WELLS, INC. Intraday Composite Report As of 01/15/20XX	
	Commercial Electronic Office® <i>Note: Intraday information subject to change</i>	Treasury Information Reporting	
<hr/>			
Credit Transactions			
<hr/>			
01/15/20XX	195 / INCOMING MONEY TRANSFER Cust Ref: COMPLETE Wire Ref: 3863 Wells Ref: 010221024581 444444444 WELLS BANK NEW YORK, NY ABCED GROUP INSTITUTIONAL SAME DAY WIRES II 1234567890000 OGB=ABCEED GROUP INSTITUTIONAL SAME DAY WI DEVONSHIRE STREET BOSTON, MA 02109 ORG=ABCEED GR INSTL REDEEM OBI=1111111 DXXXXX, 22222222222 Completed Timestamp 020115122335 (Time Released)	Bank Ref:	Credit Amount: 109,381.95
01/15/20XX	195 / INCOMING MONEY TRANSFER Cust Ref: COMPLETE Wire Ref: 2134 Wells Ref: 010221019098 555555555 THE XYZ COMPANY CHICAGO, IL 123456789 ORG=ACME INTERNATIONAL ATTN: MARY WELLS LOCUST STREET DES MOINES, IA 50306 RFB=1111 OBI=ABC CORP USA N35515 ATTN ABC Completed Timestamp 020115112254 (Time Released)	Bank Ref:	Credit Amount: 36,700.08
INCOMING MONEY TRANSFER Total			Credit Amount: 146,082.03
<hr/>			
Debit Transactions			
<hr/>			
01/15/20XX	495 / OUTGOING MONEY TRANSFER Cust Ref: COMPLETE Wire Ref: 0251 Wells Ref: 010221014135 777777777 WELLS BANK N.A. LOS ANGELES, CA 22222 OBI=ATTN ACME CUSTODY /FTR/ BNF=3333333 ABC WELLS BK SAN FRANCISCO CA Completed Timestamp 020115103154 (Time Released)	Bank Ref:	Debit Amount: 2,906,523.70
OUTGOING MONEY TRANSFER Total			Debit Amount: 2,906,523.70

Direct file transmission

You can receive balance, summary, and detailed information on all transaction types, including wires through direct file transmission. This allows you to establish automatic imports of intraday data into your accounting system. File formats include BAI V2 and ISO 20022 XML.

Sample BAI incoming wire information

```

16,195,30000,,,/
88,WIRE REFERENCE: 120319047777/
88,FED REFERENCE: 0319C1B76E1C000777/
88,011103093 TD BANK, NA GLASTONBURY, CT 120319110858H777 ORG=SEASHORE
COMMUNIT/
88,Y PARKSIDE DEPOSIT/
88,ORY ACCOUNT 777 NORTH JONES STREET HOLMDEL, NJ 12777- OBI=ABC
REIMBURSEMENT/
88,FLEX PD 3117 PLAN/
88, YEAR 2011 OPI=4253638777 /FTR/ BNF=1234536928777 ABC COMPANIES OF NJ
FSA PO/
88,OLED GRP PHILADELP/
88,HIA, PA/
88,Completed Timestamp 120319100900 (Time Released)/

```

Sample BAI outgoing wire information

```

16,495,2906522370,,,/
88,WIRE REFERENCE:01221024574/
88,FED #:5009/
88,7777777777 WELLS BANK N.A. LOS ANGELES, CA/
88,22222 OBI=ATTN ACME CUSTODY / FTR/ BNF=33333 ABC/
88,WELLS BK SAN FRANCISCO CA/
88,Completed Timestamp 020115081816 (Time Released)/

```

Sample ISO 2002 XML format

```

<BkToCstmrStmt>
  <GrpHdr>
    <MsgId>CAMT0542013012315174</MsgId>
    <CreDtTm>2013-08-31T00:50:02.0Z</CreDtTm>
  <MsgRcpt>
    <Id>
      <OrgId>
        <BICOrBEI>Customer BIC</BICOrBEI>
      </OrgId>
    </Id>
  </MsgRcpt>
  <MsgPgntn>
    <PgNb>1</PgNb>
    <LastPgInd>true</LastPgInd>
  </MsgPgntn>
  <AddtlInf>INTR</AddtlInf>
</GrpHdr><Stmt>

```

2.11.4 Internal bank and Federal reference number must be provided upon completion of outgoing wires. Servicing bank must state whether there is an option to modify and/or cancel outgoing future dated wires and book transfers.

Acknowledged and confirmed.

Please refer to our detailed answer to question 2.11.3.

You can cancel or modify future-dated transfers before the value day by calling your dedicated client service officer, Elvis Uzomah, or our wire department.

2.11.5 Incoming wires must be posted and available to view on the wire transfer on-line system immediately upon receipt by the bank.

Acknowledged and confirmed.

We update current day wire reports in near-real time and include the information available in the following table.

Wire information included	
Account name and number	Receiving and originating bank
Corresponding bank	Transaction status
Currency	Value date
Fed or SWIFT reference number	Wire amount
Internal reference or confirmation number	Wire text
Process date and time	

The County can access your intraday reports through our online banking portal, or mobile service. We can also send you a direct file transmission for automated posting of wire information to your receivables system.

2.11.6 Controls and dollar limits must be mutually agreed upon between the servicing bank and the Treasurer.

Acknowledged and confirmed.

At the user level, the County's company administrator can set individual user transaction and cumulative daily limits for each wire type. He or she can also set your cumulative, daily funds transfer limits at the company and account levels.

In addition, to help prevent fraud, we maintain a variety of internal controls within our wire transfer system and at our operations centers.

Internal controls System

Our wire transfer operations system requires complete segregation of duties so that the same operator cannot initiate and release a wire. Additionally, we require a second level of approval for wire repair changes. Terminal and user security settings help us maintain these controls.

Personnel

We carefully screen all our wire transfer operations employees using a process that includes fingerprinting, comprehensive background checks, and insurance bonding. Entry into the wire transfer operations area requires security access.

Regulatory

To monitor compliance with our security policies and federal regulations, we conduct annual internal audits of our wire transfer operations.

Controls by wire initiation method

We describe our fraud controls based on wire initiation method in the following paragraphs.

Online wire and mobile service

We require dual custody to initiate freeform wires, and create and maintain wire templates within our online banking portal. We also require dual custody to entitle users to wire services. With dual custody, completing tasks requires two users: one to initiate or change the transaction, and a second to approve it. The second approver must also initiate the approval on a separate computer or mobile device.

Voice-initiated wire service

We require users to enter a PIN and voice print into our voice response unit to initiate wires over the phone.

Consolidated payables

Automated transmission

We authenticate and encrypt electronic payment files you send to us directly from your ERP, treasury workstation, or other accounts payable system. Security elements vary according to the internet protocol you choose and may include the following:

- Digital certificates issued by us
- ID
- Key
- Password
- PIN and token code
- PGP encryption
- Connect:Direct (NDM) with Secure+

Manual file upload

To upload payment files manually into our online banking portal, users must enter sign-on identifiers and a token passcode.

2.11.7 The servicing bank shall identify, by name, telephone number and e-mail address, the person responsible for researching any wire transfers.

The County will contact your dedicated client service officer, Elvis Uzomah, for any wire research inquiries. His phone number is 626-572-1518 and his email address is elvis.uzomah@wellsfargo.com.

2.12 Direct deposit payroll program

2.12.1 Servicing bank shall provide a mechanism for direct deposit for the County’s payroll system and shall have the ability to provide similar services for schools, special districts and fire districts.

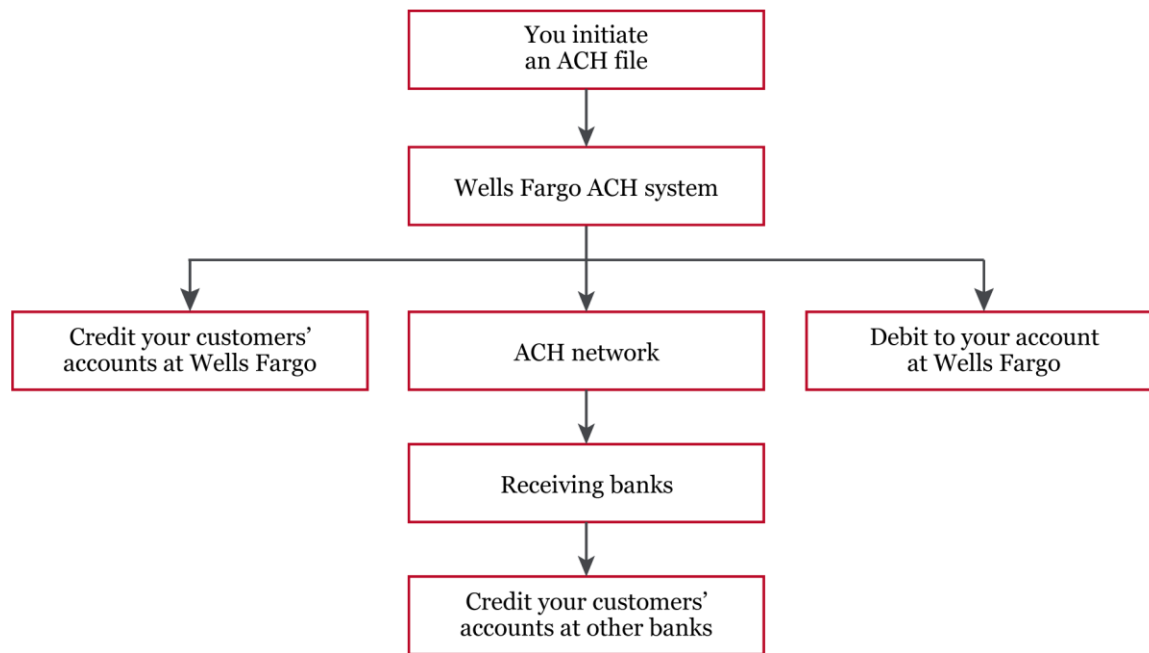
The County can deposit your employees’ payroll, expense reimbursements, and other work-related payments directly into their checking or savings accounts through the ACH network. Our ACH Payments service – available through our online banking portal – speeds the availability of funds, improves your cash flow, and provides added financial control.

Improve cash flow and add financial control with payroll direct deposit.

Process

When the County submits payment information in an electronic file format approved by the National Automated Clearing House Association (Nacha), our system reads it and then delivers payroll entries to your employees’ accounts. You have options for settlement with this direct deposit service. One- and two-day settlements put payments in your employees’ accounts on payday morning. Same-day settlement puts payments in employees’ accounts no later than the end of their financial institution’s business day.

How it works



Deadlines

Although we have processing deadlines, **you can send direct deposit files 24 hours a day, 7 days a week.** If you send a file after the established cutoff time – or with an effective date on a holiday or weekend – we’ll process it on the next business day. The following table lists the deadlines for all settlement options.

Origination method	Same-day settlement (on-us)*	Same-day settlement (transit) †	One-day settlement	Two-day settlement
Direct origination	7:00 p.m. MT	7:00 a.m. MT and 11:00 a.m. MT	7:00 p.m. MT	10:00 p.m. MT
Consolidated payables transmission	6:30 p.m. MT	7:00 a.m. MT and 11:00 a.m. MT	6:30 p.m. MT	6:30 p.m. MT
Online	5:00 p.m. MT	7:00 a.m. MT and 11:00 a.m. MT	7:00 p.m. MT	7:00 p.m. MT

*Both the originating account and receiving account must be Wells Fargo accounts. The \$25,000 transaction limit for Nacha’s Same Day Rule does not apply to on-us transactions.

†Transactions more than \$25,000 and international transactions (IAT) are not eligible. Funds from incoming credits are available by 5:00 p.m. local time.

2.12.2 Does the Bank have current plans to add or remove branches within Navajo County?

To the best knowledge of the Wells Fargo representatives preparing this response, there are not any current plans to add or remove branches.

2.13 Armored car service

If the Treasurer requires armored car service to the Office of the Treasurer all fees for such service shall be approved and agreed to by the Treasurer prior to being implemented. The servicing bank will contract for the armored car services and pass the charge to Navajo County as a soft dollar charge, however, in no event shall a separate charge be billed to the County, directly or indirectly, for multiple “pick-ups” or stops in the same building or at the same physical address. The Pick-up/Stop locations are: Navajo County Mogollon Complex, Heber, AZ; Pinetop/Lakeside Justice Court, Lakeside, AZ; Show Low Justice Court, Show Low, AZ; Snowflake Justice Court, Snowflake, AZ; Navajo County Government, Holbrook, AZ; Winslow Justice Court, Winslow, AZ. Does the Bank have current plans to add or remove branches within Navajo County?

The County should contract directly with, and pay fees directly to, an armored courier of your choosing from our approved list of courier companies. We will assist you in identifying local ones.

To the best knowledge of the Wells Fargo representatives preparing this response, we are not currently aware of any plans to add or remove branches.

2.14 Technological requirements

2.14.1 The servicing bank's technology must be compatible with the Treasurer's electronic data processing equipment and software. The servicing bank must have the ability to exchange information directly with the Treasurer's information technology systems. Information to be exchanged includes, but is not limited to, warrants, deposits, account balances and other detailed information for investments and recordkeeping.

Acknowledged and confirmed.

As we do today, we are compatible and integrate with the County's equipment and software, which provides the ability to generate all required information. Moreover, with this integration already in place, there is no need to transition with a new financial partner, so there will be no loss of information or data exchange.

If the County makes adjustments to your systems, we will partner with you to meet any new demands or requirements.

2.14.2 At the rate technology is growing and changing, Navajo County has to be able to respond in kind. The County is looking to revolutionize its communications systems with the public. The County must keep pace with private industry. It appears that in the near future the automated teller industry will be making radical changes in the area of bill payment via corresponding bank relationships or the Arizona Clearing House. The County needs to be able to piggyback on to any services such as this, which will better enhance our ability to serve the citizens of Navajo County. If at any time during the course of the contract, the Bank incorporates new technology that will enhance the capability of Navajo County to serve the taxpayer, Navajo County reserves the right to negotiate pricing of the service for the remainder of the contract period. If at any time during the life of the contract, the successful BANK is unable to provide the County with advancements in technology that are available, Navajo County reserves the right to obtain this technology elsewhere.

Acknowledged and confirmed.

Quickly changing technology and needs require a bank to have the ability to keep pace and keep customers informed. We will continue to provide ongoing consultative services to the County. As new technology and products are introduced, our relationship allows us to collaborate quickly and creatively. We believe that Wells Fargo is uniquely suited to continue providing the County proven financial service by combining local service and support with national resources, today and into the future.

Our approach

We put our customers at the center of every decision we make. We keep these key points in mind as we enhance our services:

- Focus on the customer
- Stay current with technology
- Keep things simple
- Make them easy to implement

Through ongoing conversations, we hear what customers want from their treasury and merchant services — and how they want to use and access them. Advisory councils and ethnographic research help us gather feedback that shapes our existing and future products.

We are planning the following service enhancements.* Your relationship team will let you know when the enhancements become available.

e-Commerce

To provide greater flexibility for our online customers, we plan to add additional online warrant acceptance services and additional mobile wallets. We're also working with our partners to develop a seamless experience and integrated reporting across payment acceptance channels, including web-based, card-present, and mobile payments.

In addition, we're evaluating and improving current fraud tools to help our online customers reduce the risk of fraud often associated with online payments.

Targeted markets

We're evaluating and planning market-specific merchant solutions for industries including healthcare and government. These solutions will help meet the specific processing needs often found in niche markets and help our customers run their businesses more smoothly and efficiently.

Benchmarking

It's important for our customers to understand their business and how it's performing. We are testing new payment data analytics products to help you benchmark and manage your business's performance.

*The timeframes and scheduled future enhancements are subject to change.

2.14.3 In no event shall the servicing bank diminish or unilaterally discontinue technological services it undertakes to provide, either at the inception of the contract for banking services, or at any time throughout the contract, without providing for replacement services that are equal to, or greater than, in the sole opinion of the Treasurer, those being provided prior to such change.

Acknowledged and confirmed.

2.15 Imaging at the Treasurer's office and various payment locations

The Treasurer desires to capture images of payment items as they are received and processed. As such documents are physically received by Treasurer's staff an image of each document should be electronically captured. The Navajo County Treasurer currently utilizes Creditron software and hardware for payment processing. Please discuss and evaluate how your institution can utilize Creditron or equivalent system to assist with the overall banking process. If your bank will provide the equipment necessary to capture these images, please describe the equipment in detail along with any extra charges which may be imposed for the use of the equipment. If your bank does not provide such equipment, please describe if it can be leased or purchased through soft dollar earnings credits, and if so, identify the vendor and types of equipment. Additionally, provide an estimate of the amount of the soft dollar earnings credits necessary for such acquisition.

As an option, there may be other taxing districts, such as fire and school districts that may be interested in utilizing similar technology. The servicing bank should consider this option when addressing this issue.

Acknowledged and confirmed.

As you do today, you can **save both time and money** by using our image cash letter service to deposit checks into your Wells Fargo account electronically, eliminating the need for your employees to physically take deposits to the bank.

We designed our image cash letter service for customers who already have an existing process to capture check images and data. Therefore, you can use your preferred method to capture this information, as long as you format the file to the specifications we provide.

We support two image cash letter file formats:

Common Federal
Reserve Bank

Proprietary
Wells Fargo

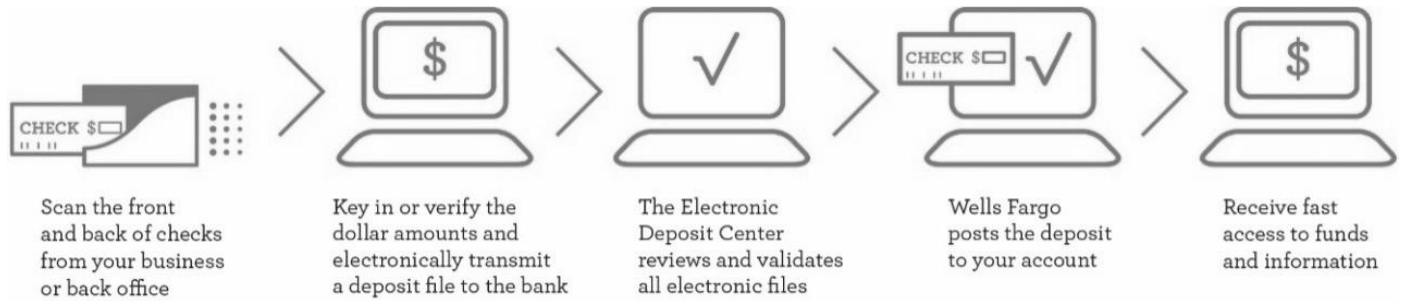
Our proprietary format provides greater flexibility in structuring deposits and depositing to multiple accounts within a single file. Our proprietary format also supports a special user record for conveying discretionary data, which can help you research return items or exceptions, as well as provide an audit trail.

**Convert check
payments to
invested
funds as
quickly as
possible.**



How it works

The following diagram shows the general workflow of our image cash letter service.



Requirements	
Type	Items
General	<ul style="list-style-type: none"> • Scan eligible checks to accurately capture all MICR line data • Capture and store check images and MICR data according to generally accepted industry standards • Create deposit records for the total of checks transmitted and send a balanced file • Format the file according to the specifications we provide during implementation • Transmit a file securely through one of our transmission options
Operational requirements	<ul style="list-style-type: none"> • Provide file editing, IT backup, and business resumption capability in case there is a problem with a transmitted file • Maintain and operate equipment to help ensure ongoing image and MICR data quality so that you can collect checks electronically or convert them into substitute checks
Check retention	<ul style="list-style-type: none"> • Securely retain original, scanned checks (for five to 14 days)* and then destroy them in a secure manner to help avoid accidental duplicate deposits • Retrieve individual original items during the retention period in the case of an exception item <p>*Consult your legal department to determine the timeframe that is best for the County.</p>

2.16 Servicing multiple locations

Explain how the BANK will service all of the County's outlying locations; i.e., Heber, Show Low, Winslow, Snowflake, Holbrook, Pinetop and others.

Since the County is a current customer, we will continue to provide the same service that the County's locations receive today. In the following table, we provide a table listing our locations closest to the County's outlying locations.

Branch	Address	Distance from main location
Holbrook Traditional branch 928-524-6275	266 Navajo Blvd. Holbrook, AZ 86025	1.55 miles
Snowflake Traditional branch 928-536-4311	9 N. Main St. Snowflake, AZ 85937	29.35 miles
Winslow Traditional branch 928-289-4626	210 W. Second St. Winslow, AZ 86047	33.89 miles
Winslow Offsite ATM	1531 North Park Dr. Winslow, AZ 86047	34.33 miles
Show Low Offsite ATM	161 E. Deuce of Clubs Show Low, AZ 85901	49.33 miles
Pinetop Traditional branch 928-367-6320	1551 E. White Mountain Blvd. Pinetop, AZ 85935	59.3 miles
Whiteriver Offsite ATM	Hwy. 73 Main St. Whiteriver, AZ 84941	82.21 miles
Flagstaff Humphreys Offsite ATM	1000 N. Humphreys St. Flagstaff, AZ 86001	91.27 miles
Northern Arizona University Offsite ATM	201 W. University Bldg. 30 Flagstaff, AZ 86001	91.78 miles

2.17 Option on checks posted

Provide options for remote processing of deposits for the County and its outlying locations.

Like today, the County can save both time and money by using our remote deposit service to deposit checks into your Wells Fargo account electronically. **This service eliminates the need for your employees to take check deposits physically to the bank.** An extended deposit deadline of 8:00 p.m. MT for same-day ledger credit may mean faster notice of returned items.

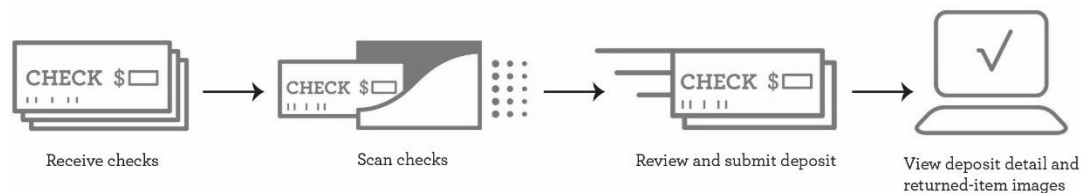
You'll no longer need to maintain accounts at local banks that have physical branches near your locations. You can **consolidate banking relationships**, save money on account maintenance fees, and **reduce the time spent reconciling multiple bank accounts.**

How it works

You scan checks for deposit by using an approved check scanner and computer with internet access. Next, confirm the check dollar amounts and verify the deposit balances. Then, submit the deposit to us; you'll receive a prompt confirmation.

If you enroll in our Alerts service, we'll send authorized users a deposit confirmation notice by email, text message, or fax.

The following diagram shows the remote deposit process flow.



Features

Image access

As you scan checks, we capture their images and store them on our servers. Check images are promptly available online through our remote deposit service for 90 days; these same images are also available online through our online Transaction Search service for seven years.

Custom fields

Using multiple discretionary data fields, you can enter customized information about the checks that you receive; this feature lets you search for checks using your own criteria and makes it easy to upload data into your accounts receivable system. Our quick data feature simplifies the capture process by automatically recalling some of your previously entered receivables data.

Reporting

You can generate the following reports through our remote deposit service.

Available reports	
Report name	Description
Deposit Report	This report contains general information (including deposit amount, number of checks included, and submission date) for deposits completed within the past 90 days. It is available in HTML, PDF, CSV, and Excel formats.*
Deposit Report with Item Details	This report contains general deposit information and item details for each deposit completed within the past 90 days. It is available in HTML, PDF, CSV, and Excel formats.* The HTML format includes links to display item images.
Express Report with All Item Images	This report displays a “quick” version of the Deposit Report with Item Details. It is available in PDF format and contains detail information and images for each item deposited (up to 1,000 items), and maintains a 90-day history. You can select the number of images (up to eight per page) that you would like to see.
Deposit detail transmission	We offer a deposit detail transmission that can include discretionary data that you manually entered, in addition to check detail. This feature allows you to receive an electronic file for posting your receivables.

*CSV, Excel, and HTML formats contain keyed discretionary data.

User access

The County’s designated system administrators establish users, grant them access, and set their check limits.

Administrators can customize each user’s access. For example, a user can have scan-only access for one account and balance-only access for another account. This flexibility lets you implement dual controls so that one person scans and another person submits a deposit.

Batch deposits

You can create multiple batches within one deposit. This batching simplifies balancing when you have checks for multiple entities in the same deposit.

Mobile deposit

You can capture check images and deposit funds* to your account with the camera of a mobile device.† Mobile users, such as on-the-road personnel, can accept customer checks and deposit them immediately.

*One check per deposit.

†Requires an iPhone, iPad, or iPad Mini running iOS version 10.1 or higher, or an Android device with version 7.0 or higher.

Updates

Because our service is entirely internet-based, it does not require the installation of any software (other than a scanner driver). Any updates we make are promptly available to you when you access the system.

Quality control



- ✓ Before submitting a deposit, you'll have a chance to review the scanned items, and make corrections (such as rescan images, enter missing data, and verify item amounts) to balance the deposit.
- ✓ Then, you'll submit the deposit to us.
- ✓ Our Electronic Deposit Center inspects and analyzes the image quality of all items, looking for illegible items, image issues such as streaking or interference within key areas, and image contrast.
- ✓ While image quality exceptions are rare (accounting for approximately 1% or less of all items we process), we follow process for handling them.
- ✓ If there is an item that we cannot clear, we follow an adjustment process and notify you accordingly.

2.18 Option to provide an automatic teller machine (ATM)

Provide cost/fees to provide and service an ATM at the main Navajo County Complex in Holbrook, AZ. This will be serviced by and responsibility of the providing vendor.

Wells Fargo operates an ATM network with more than 12,000 machines. Approved and bonded vendors assist us in the installation and maintenance of our network. We provide a number of different ATM models that are selected based upon the consideration of requirements such as services needed, space, and site availability. ATM placement is done primarily to provide a distribution point for Wells Fargo customers. We evaluate sites based upon projected usage, potential for income, and current market coverage to determine if placements are feasible.

We can also provide a list of vendors for the County to work with on an individual basis.

Deposit-taking ATM

Our deposit card enables you to make commercial deposits at Wells Fargo deposit-taking ATMs and at branch teller lines.* Swiping the card at the counter replaces the need to complete a deposit slip.

*Each ATM deposit is limited to 30 items (checks, bills or a mix of both). There is no limit for deposits made inside a branch.

To keep the associated account secure and help protect it from fraud, this deposit card only permits deposits to a single account. Neither deposit receipts nor the ATM screen shows the account balance.

The person submitting the deposit cannot make withdrawals, transfers, or balance inquiries with the *Stagecoach Deposit*[®] card. Thresholds apply to deposit volume. If depositing at a teller line, the teller will scan and image the checks, then confirm the deposit total.*

*With our *Stagecoach Deposit*[®] Post Verify service, we verify cash deposits submitted after you leave the branch, saving you time.

The bank will post deposits made before 9:00 p.m. local time on the same business day. For flexibility to track deposit activity, we can assign cards by location or by employee, and you can view deposits from our online banking portal.

2.19 Investment transactions – trust and custody

Describe Investment services offered by the Bank (exclude overnight sweep already covered), include safekeeping services. Provide Investment Transactions pricing in Attachment D. The County currently has two (2) safekeeping accounts with approximately 250 transactions including security purchases at maturity and semi-annual interest)

Wells Fargo is not bidding on these services.

On April 9, 2019, Wells Fargo & Co. entered into an agreement to sell the Institutional Retirement and Trust (IRT) business to Principal Financial Group. On July 1, 2019, Principal closed the acquisition of the IRT business.

Qualifications

This section shall describe the firm’s ability and experience related to the programs and services proposed. All project personnel, as applicable, shall be listed including a description of assignments and responsibilities, a resume of professional experience, and an estimate of the time each would devote to this program, and other pertinent information.

Wells Fargo & Company is a nationwide, diversified financial services company with \$1.9 trillion in assets. We provide banking, insurance, investments, mortgage, and consumer and commercial finance services through more than 7,600 locations, more than 13,000 ATMs, online ([wellsfargo.com](https://www.wellsfargo.com)), and through mobile devices.

We’re headquartered in San Francisco, but we’re decentralized so every local Wells Fargo office is a headquarters for satisfying all our customers’ financial needs and helping them succeed financially. We do business with more than 70 million customers and one in three U.S. households. We have approximately 263,000 team members in 32 countries across our more than 90 businesses.

Our vision

We want to satisfy all our customers’ financial needs and help them succeed financially.

Key performance measures

Our year-end key performance measures are detailed as follows:

Key performance measure	2016	2017	2018
Total assets	\$1.9 trillion	\$2.0 trillion	\$1.9 trillion
Net income	\$21.9 billion	\$22.2 billion	\$22.4 billion
ROA	1.16%	1.15%	1.19%
ROE	11.49%	11.35%	11.53%
Equity and assets	10.94%	10.66%	10.39%

Annual Report

To review the full Wells Fargo & Company Annual Report, please use the following link: https://www.wellsfargo.com/invest_relations/annual.

Our ratings

Wells Fargo subscribes to Fitch, Moody’s, Standard & Poor’s, and DBRS ratings agencies.

We have among the highest debt ratings of any financial services company, as shown in the following table.*

Wells Fargo & Company	Fitch	Moody's	Standard & Poor's	DBRS
Long-term Issuer Rating	A+	A2	A-	AA (low)
Short-term Issuer Rating	F1	P-1	A-2	R-1 (middle)
Senior Unsecured	A+	A2	A-	AA (low)
Subordinated Preferred Stock	A BBB-	A3 Baa2	BBB+ BBB-	A (high) A (low)
Wells Fargo Bank, N.A.	Fitch	Moody's	Standard & Poor's	DBRS
Long-term Issuer Rating	AA-	Aa2	A+	AA
Short-term Issuer Rating	F1+	P-1	A-1	R-1 (high)
Bank Deposits	AA	Aa1	A+	AA
Senior Unsecured	AA-	Aa2	A+	AA
Subordinated	A	Aa3	A-	AA (low)

*Ratings as of February 2020.

The information provided can be found on our Investor Relations site (wellsfargo.com/invest_relations/debt) and is provided for informational purposes only. We do not guarantee the accuracy or completeness of information on or available through this site, and we are not responsible for inaccuracies or omissions in that information or for actions taken in reliance on that information. Please read Legal Disclaimers (wellsfargo.com/invest_relations/legal) before using or relying on information on or available through this site. Potential investors in our securities should seek professional advice before they invest.

Experience

Wells Fargo has extensive experience in providing the services outlined in this RFP. Please see detailed information in the paragraphs below.

Depository services

Wells Fargo has been processing cash deposits for retailers since 1852.

We offer several other deposit services, as shown in the following table.

Service	Experience
Cash vault	More than 30 years
Night depository	More than 50 years
ATM	
Envelope ATM	1977
Envelope-FreeSM ATM	2006
Remote cash capture	2009
Remote deposit	2004

ACH

We have offered ACH services since 1973. Our involvement with ACH began in 1969 with the Special Committee on Paperless Entries (SCOPE), which was formed to develop an electronic payment alternative to checks.

The following table details our 2019 originated and received volumes.

Volume type	Total items	Dollars
Originator*	6,447,735,729	\$10.07 trillion
Receiver*	1,988,708,175	\$12.62 trillion

*Does not include on-us transactions.

According to the latest Nacha rankings, we are the largest credit and debit originator, and the largest originator overall. In addition, we are the second largest debit receiver, the third largest credit receiver, and the third largest receiver overall.*

We're involved in various ACH associations and are one of 30 financial institutions that are direct members of Nacha. Our representatives serve on the following ACH regional associations:

- Payments First (ALACHA)
- Upper Midwest ACH (UMACHA) Board of Directors
- WesPay Board of Directors
- Payments Innovation Alliance
- Regional Payments Association – TCH Payments Authority

*In May 2019, Nacha—The Electronic Payments Association® released two reports: 2018 Top ACH Originators by Volume and 2018 ACH Receivers by Volume.

Wire transfer

We have participated in the Fedwire system since its inception.

We provide wire transfer services to more than 80,000 corporate and business customers. Of this number, 42% include customers from our corporate, commercial, and government sector. 58% of our wire transfer customers are from our business sector.

Wells Fargo Electronic Deposit

Wells Fargo has offered an image cash letter service since 2004.

More than 850 customers use our image cash letter service.

Desktop Deposit

We began offering a software based remote deposit service in 2004. We introduced our online remote deposit service in 2005, and in 2011 we launched our mobile deposit service.

Approximately 69,000 users across a base of 21,000 customers use our remote deposit service.*

*As of March 2020.

Information reporting

We began offering information reporting services in 1988. In 2000, we began offering them over the internet through our online banking portal. In 2007, we began offering reporting through our mobile service.

We refreshed both our online banking portal and mobile information reporting services in 2016.

We update our information reporting services typically on an annual basis, and sometimes quarterly. We'll communicate upgrades in advance of and immediately after they are put in place.

Approximately 100,000 customers use our online banking portal.

Merchant Services

We have been processing card transactions since 1976. In 1993, Wells Fargo and First Data Merchant Services joined to create Wells Fargo Merchant Services, L.L.C.

We offer merchants of all sizes processing for credit card, debit card, travel and entertainment (T&E) card, stored value, electronic check, electronic benefits transfer, and multicurrency through a host of point-of-sale equipment and software solutions.

Nearly 1,100 team members across the U.S. serve our merchant customers in roles including, but not limited to, sales, operations, and merchant account management.

We are a merchant acquirer. We are not a direct processor or an ISO.

Your relationship team

Wells Fargo provides our highest level of customer service through a dedicated government relationship team with experience working with local county governments. Our goal is to always have someone available who knows the County and can assist with any questions you may have.

John Musto will continue to be your dedicated relationship manager and will meet with the County on a regular basis, coordinate internal experts to provide solutions, resolve any of your concerns, and take responsibility for your satisfaction.

John is based in the local government banking office and leads your dedicated relationship team, which includes:

- **Mauricio Chavez, Relationship Associate** – You can call Mauricio whenever John is out of the office or unavailable. He can help you with account maintenance, signature changes, and questions.
- **Michael Bradley, Treasury Management Consultant** – Michael leads your government treasury management team and provides customized technology solutions that make your financial processes easier and more efficient.
- **Michael Peneyra, Treasury Analyst** – You can call Michael when Michael Bradley is out of the office or unavailable. He can help you with your treasury management services.
- **Elvis Uzomah, Dedicated Client Service Officer** – Elvis is your dedicated expert on all your treasury management questions. Whether it's researching a transaction or resetting a password, you always have an online banking portal expert available to assist.
- **Sharen Ramirez, Regional Team Lead** – Sharen will continue to provide support and oversight on your banking relationship to ensure a seamless support and continued consulting on the best banking practices in the industry.

Relationship Manager

John Musto
Assistant Vice President

john.f.musto@wellsfargo.com
602-378-5806 office
480-294-4850 mobile

100 W. Washington St.
13th Floor
Phoenix AZ 85003

John offers the County consultative financial and banking guidance and coordinates the team of specialists that support your banking relationship. John is your advocate at the bank.

John began his career in banking with Wells Fargo in 2002 and has been a relationship manager since 2014.

John received his B.A. in business management from Western Governor's University.

Regional Team Lead

Sharen L. Ramirez
Senior Vice President

sharen.l.ramirez@wellsfargo.com
505-766-6241 office
505-263-6261 mobile

210 Lomas N.W.
10th Floor
Albuquerque, NM 87109

Sharen offers the County consultative financial and banking guidance and, along with your relationship manager, John Musto, she supports your banking relationship.

Sharen has worked in banking for more than 30 years. She began working for Wells Fargo more than 25 years ago and has been a regional team lead since 2002. She is an active member of the Women's Economic Self-Sufficiency Team (WESST) loan committee, and the Saranam, LLC development committee.

Sharen received her bachelor's degree from the University of New Mexico.

Relationship Associate**Mauricio Chavez**

mauricio.chavez@wellsfargo.com
213-253-7222 office

333 S. Grand Ave.
Fifth floor
Los Angeles, CA 90071

Mauricio supports your relationship manager, John Musto, and helps to enhance your customer service experience. He serves as your liaison with other areas of the bank. He also assists with questions related to account analysis statements and overdrafts.

Mauricio has been in his current role since 2017.

Mauricio received his bachelor's degree from Los Angeles Harbor College.

Treasury Management Consultant**Michael Bradley, CTP**
Vice President

michael.d.bradley@wellsfargo.com
979-273-9799 office

1445 Ross Ave.
23rd Floor
Dallas, TX 75202

As your dedicated treasury management consultant, Michael has more than 30 years of banking experience to help customers with their cash management needs and offers a solution-based approach to meet your financial and operational objectives.

Michael focuses exclusively on working with government customers in Arizona, New Mexico, and Texas. Michael received his bachelor's degree from The University of Texas at Dallas and his M.B.A. with a concentration in accounting from DeVry University. He's also a Certified Treasury Professional (CTP).

Treasury Management Analyst**Michael Peneyra**

michael.peneyra@wellsfargo.com
480-977-2791 office

3800 Howard Hughes Pkwy.
Fourth Floor
Las Vegas, NV 89169

Michael supports your treasury management consultant, Michael Bradley. He works with you to begin new service implementations and can assist with treasury management questions when Michael Bradley is unavailable.

Michael joined the Government Banking team in 2018. Prior to that, he was with the Client Services team as a dedicated client servicer officer and team lead for 10 years, servicing customers using complex treasury products and services.

Client Service Officer

Elvis Uzomah

elvis.uzomah@wellsfargo.com

626-572-1518 office

3449 Flair Dr.

Fifth Floor

El Monte, CA 91731

Elvis provides day-to-day support for all of your treasury management services. He acts as a liaison between you and our operations groups to provide you with information and resolve issues in a timely manner.

Elvis been a client service officer since 2018.

Wells Fargo At Work

We are committed to helping the County support your employees with enhanced benefits through our *Wells Fargo At Work*SM program. As we do today, offered at no cost to you, the program brings engaging financial workshops, tools, resources, and options to your workplace. Your employees will have access to financial resources that can help them and your company.

Today, the County's program is supported by your *Wells Fargo At Work* senior program manager, Derek Marra.

Enhanced employee benefits for the County

Our program helps you enhance your financial wellness benefits for your employees by providing:

- Financial wellness workshops delivered at your locations
- Customized materials to help promote the County's program benefits
- Support for company initiatives to help increase participation, such as encouraging direct deposit or retirement savings
- Options to help your employees keep their financial priorities on track
- Online, mobile, phone, and in-person access*

*Your mobile carrier's message and data rates may apply. Availability may be affected by your mobile device's coverage area.

Your *Wells Fargo At Work* program representative, Derek Marra, helps to implement the program, and serves as your single point of contact.

Financial education for your employees

In person

A distinct advantage of our program is our dedicated team of program representatives. Our team members work with you to provide financial workshops, consultations, and support for your employees, conveniently delivered at the County's locations.

Complimentary on-site financial workshop topics include:

- Budgeting and saving
- Managing your credit
- Paying for college
- Buying a home
- Monitoring your financial information

Online and mobile

We also provide online and mobile access to our financial wellness services, 24 hours a day, 7 days a week. We describe these services in the following paragraphs.

My Financial Guide

This guide offers a variety of articles, videos, and tips to help answer your employees' financial questions and help them plan for their goals. The content is available in English and Spanish. You can visit wellsfargo.com/financial-education for more information.

Financial health microsite

This website helps your employees start or make further progress on their journey to financial security. It shows how changing “one little thing” in their spending habits can lead to a positive impact on their overall financial situation. You can visit wellsfargo.com/financial-health for more information.

Hands on Banking

Hands on Banking® is a free, public service offered by Wells Fargo is a non-commercial financial education program. It provides relevant and engaging content for children, young adults, adults, entrepreneurs, seniors, military service members, and veterans. The youth curriculum aligns with the Common Core State Standards Initiative. You can visit handsonbanking.org for financial education modules for each target audience. The website also offers tools and resources that may help your employees and their families make smarter financial decisions.*

*The *Hands on Banking* program is a free public service provided by Wells Fargo Foundation. An account or business relationship is not required for use or access.

Additional resources for the County’s employees banking with us

Financial health conversations

Your employees can help improve their financial well-being and build confidence by speaking with a Wells Fargo Financial Health Banker. This complimentary service is offered Monday through Saturday, from 7:00 a.m. until 5:00 p.m. MT. The conversations are focused on helping with the following:

- Find new ways to reduce spending and build savings
- Take control of debt, and pay bills with confidence
- Make credit work for you, not against you

Steps to Better Banking

We welcome new checking customers with email, online, and ATM communications on how to use key services and maximize account benefits. The step-by-step series includes videos and tips, such as how to set up alerts and bill pay, make a mobile deposit, and pay friends and family.

My Money Map

Our online money management tools can help your employees map their own financial plan and see their finances in a new way. With one click, the tools help track their spending, budget, and savings activities – displayed in easy-to-understand charts. Transactions from Wells Fargo deposit and credit accounts are automatically updated, so you can monitor your progress and adjust as needed.

Additional recommendations

In the following paragraphs, we include brief overviews of additional services we suggest the County consider. We look forward to further conversations with you.

Fraud protection services

We offer many solutions that put controls in place as fraud protection measures.

Our Payment Authorization service, for example, helps prevent unauthorized transactions by placing dollar limits on checks and over-the-counter withdrawals. Our service prevents individuals from encashing checks at the teller line.

We offer positive pay services that systematically compare checks presented for payment to the check issue information that you provide to us. Wells Fargo makes the comparison in order to detect mismatched serial numbers and dollar amounts, which can be evidence of fraud. To stop thieves from passing legitimate checks with altered payee names, we offer an optional payee validation service. We pay payee matches. Through *CEO Fraud Manager*, we provide images of payee mismatches for you to view and make decisions on unresolved exceptions to pay or return them.

You'll have better control over the ACH debits that post to your account when you use our ACH Fraud Filter service. You can choose to use our stop option and automatically stop all ACH debits — except those that you specifically preauthorize — from posting to your accounts. You can also choose our review option, which presents the transactions to you for pay or return decisions.

The County can use our *Perfect Receivables* service to establish proxy account numbers to route incoming ACH and wire payments. The proxy account number takes the place of your account number. This substitution makes your actual account number unavailable to thieves, which helps to deflect fraud before a thief attempts to steal the account information.

Our cyber fraud measures include several layers of monitoring and multiple systems that secure your account and transaction information. For example, we require secondary authentication for all high-risk transactions such as online payments, foreign exchange, and online administration services.

Payment Manager

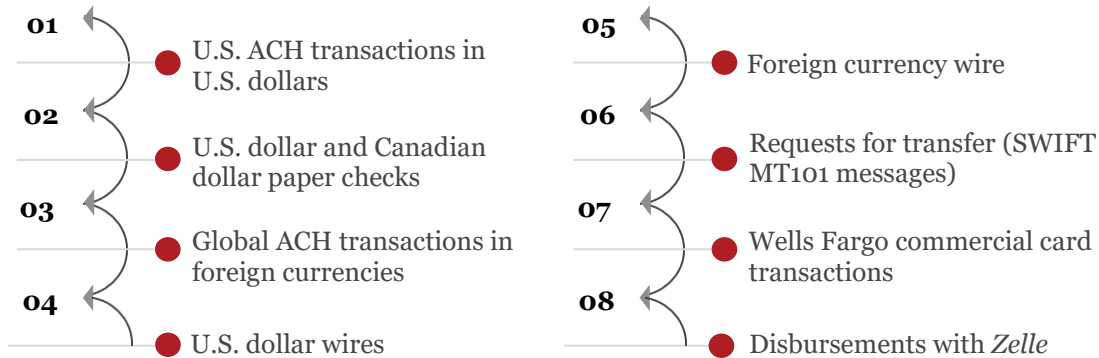
You can send consolidated payables files to **streamline** and **automate** your payment and remittance processes, strengthen trading partnerships, drive working capital, and improve operational efficiencies.

By reducing the use of paper documents and manual data entry, you **minimize mistakes** and **increase efficiency**.

Payment types

In a single file, you can provide payment instructions and include all related remittance information. Your file can include multiple payment types; **we'll separate the payments by type** and process them accordingly.

Your file can include the following payment types:

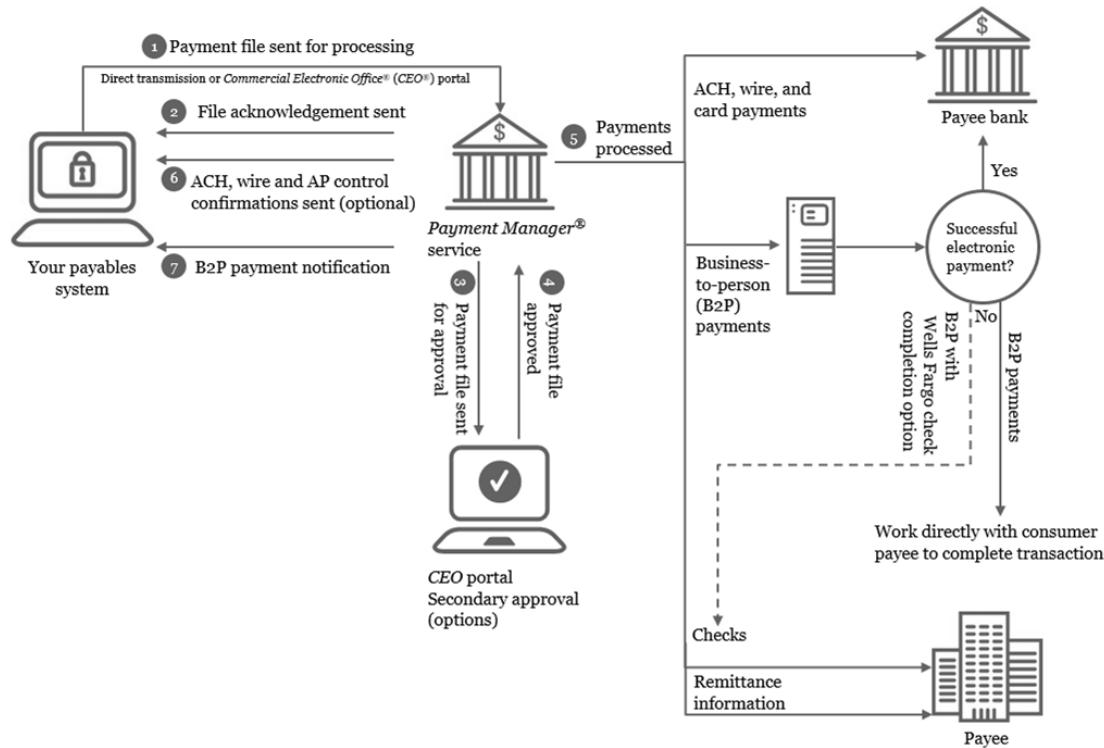


Online services

Through our online banking portal, you can:

- Upload a payment file
- Perform additional approvals after sending the file
- Access acknowledgments and optional confirmations
- Generate reports on payment files
- Run an audit report on settings and user entitlements

How it works



Benefits

Accepts a variety of file formats

We accept most custom and proprietary file formats — almost any type of file format your system can generate. If you use a standard format, it can minimize your implementation cost and time.

Improve cash forecasting and reconciliation

Electronic control of your global disbursements allows you to better manage and forecast your cash flow. The service is also integrated with our account reconciliation and positive pay services.

Potentially reduce costs

Sending one consolidated payables file reduces your internal costs associated with AP processing. Specifically, electronic payment methods can reduce your expenses for paper check payments.

Compatibility with treasury workstations, ERP systems, and other accounts payables systems

These include, but are not limited to:

Treasury workstations and ERP systems

- GTreasury
- JD Edwards
- Kyriba
- Lawson
- Microsoft Dynamics Great Plains
- Oracle*
- PeopleSoft
- SAP
- SunGard
- Wall Street Systems
- Yardi

*If you use Oracle, you can use our software solution to manage data translation to the file.

Flexible file options

Delivery

Transmit your payment file using a variety of communication protocols (including multiple internet options) or upload it online.

Formats

This service accepts:

- Standard Wells Fargo flat file
- Wells Fargo XML
- ASC X12 820
- Lawson AP 161
- Excel
- SAP IDoc
- ISO 20022 (CGI common XML standard)
- Custom and proprietary formats

Our service
accepts and
acknowledges
your file for
initial
processing **24
hours a day, 7
days a week.**

Processing deadlines

Depending on the payment type you send, we'll process your file the same business day if we receive it by our cutoff time. We process a file that arrives after the cutoff the next business day. If you require secondary approval, it must be completed by the applicable deadline for same-day processing.

If a file includes multiple payment types, the earliest applicable deadline applies to the entire file.

Cutoff times (MT)

Payment type	File cutoff time
Checks	
Standard	8:00 p.m.
Same day*	10:00 a.m.
ACH	
On-us same day settlement	6:30 p.m.
Transit same-day settlement	7:00 a.m. and 11:00 a.m.
One-day settlement	6:30 p.m.
Two-day settlement	6:30 p.m.
Wires	
Fedwire	3:30 p.m.
SWIFT	3:00 p.m.
CHIPS	3:30 p.m.
Wells Fargo commercial card	Accepted when received
Zelle payments	6:30 p.m.

*Subject to volume limitations and additional fees.

Safety and security

Secondary approval

You can make optional secondary approvals for some — or all — of your payments after we receive your file. The system can hold an entire file of payments, or an individual payment, for an authorized user to approve or delete. We'll then generate the payments and send remittance information based on your instructions.

History

Search for payment information, view standard reports, create custom reports, and schedule report reminders. **Data is available for 90 calendar days after we receive your payment file.**

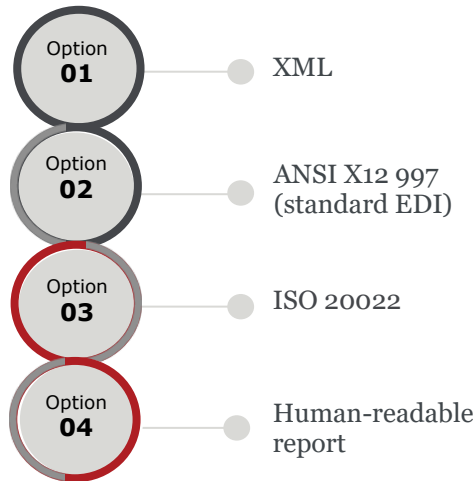
Users with administrative authority have access to an audit report which provides snapshots of setups and user entitlements. You can also view all changes made to setups and user entitlements within the last 90 calendar days.

Assurance of receipt

Acknowledgements

We'll let you know by transmission, secure email, or both that your file has reached our system and has undergone initial processing.

You can choose the format:



If you'd like delivery by both transmission and email, each can be in a different format. You can also view and download acknowledgments online.

You have the option to receive payment confirmations for wire transfers, commercial card, and ACH payments by **transmission, secure email, or both**. You can also **view and download confirmations online**.

You choose the format:

- 1 XML
- 2 Excel CSV
- 3 ISO 20022
- 4 ANSI X12 824 (standard EDI)
- 5 Human-readable report

Confirmations

Why Wells Fargo?

Disbursements with Zelle

A convenient new service, Disbursements with *Zelle*, allows you to replace business-to-consumer (B2C) check payments with electronic payments, using your payee's email address or mobile phone number.

Our service allows you to:

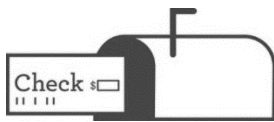
- Send payments without obtaining personal account or routing numbers
- Eliminate the risk of storing payee account data
- Reduce expenses related to paper checks
- Send a courtesy notification to your payee providing payment information

Unregistered payees

If your payee is not registered for *Zelle* payments at the time of payment initiation, we offer an optional feature that will send them a payment alert. This alert contains instructions for your payee to enroll to receive a *Zelle* payment. The funds will settle after your payee registers.*

*Your payees have 14 calendar days to register to receive their funds.

Check completion option



With this option, we can automatically issue a check payment to a registered payee if their electronic payment is unsuccessful. Our check completion option requires you to include complete check issue instructions along with your *Zelle* payment request.

When you choose this option, there are no additional steps to address payment failures because your payments will complete electronically or by check based on the payee's registration status.

Enhanced remittance delivery options

You can include detailed remittance information in your payment file. You choose the delivery method: online, email, mail, or fax. We'll separate and process the payments and forward the remittance data in a human-readable format to your payees.

Transition payees to electronic payments

We offer you two options to transition your payees to electronic payments:

1

Invite your payees (by mail or email) to self-enroll online to receive ACH payments (instead of check payments) and electronic remittance information. You choose the remittance delivery channel you want to offer: email, mail, fax, or online.

2

We analyze your vendor's data to provide an onboarding forecast. This predicts the conversion to commercial card, ACH, or both. We then plan an onboarding campaign on your behalf for your suppliers.

Templated payments

We offer you the option to send templated payments to your suppliers after they enroll. Our database facilitates the payments, which frees up valuable time and resources for the County.

Integration with centralized disbursements service

Our **Centralized Disbursements Manager** service is a web-based platform combining centralized disbursements with entity-level reporting. We partner with you to track and monitor disbursement activity and corresponding funding through a consolidated master account using a **fully integrated online application**. If the County's disbursements are centralized but reporting must be kept separate by operating location or business line, you will benefit from this service.

What's changing?

Currently, this service requires you to submit issue files containing your check and ACH payments in a Centralized Disbursement Manager-specific format. Therefore, if you use this service and our consolidated payables service, you're required to submit two separate files in separate formats.

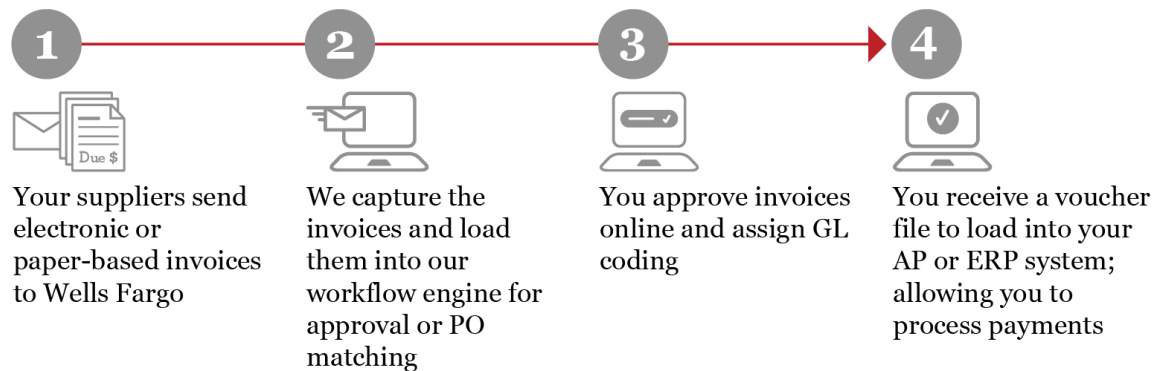
We are now developing an integrated file; you'll have the ability to transmit a consolidated file for consolidated payables with payment instructions (ACH, virtual card, and check*) and Centralized Disbursement Manager issue records. Our consolidated payables service will process payments, then forward issue notices to our service.

*Only applies to domestic payments initiated in the U.S.

Invoice Manager solution

With our invoice management solution, the County can automate your accounts payable process, reduce costs, improve efficiencies, and maximize your working capital. We designed our solution to support the entire procure-to-pay lifecycle — from PO creation and invoice receipt, to optional integrated payment processing.

How it works:



Greater efficiency at a lower cost

Reduce your processing costs on every invoice by standardizing data from various sources into a uniform, paper-free workflow. We'll capture your paper invoices, convert them to electronic, and integrate them with the invoices your suppliers submit electronically through our supplier network. Then, we'll provide you with one centralized electronic workflow for all of your invoices. By capturing invoices electronically, our solution accelerates invoice routing and approval, and reduces processing times so that you can take advantage of early-pay discounts. Additionally, this automated process helps eliminate the errors that occur when staff needs to manually key invoice data.

How you benefit

Efficient PO processing	<p>Our solution can create and deliver POs to your suppliers. It also helps ensure that each invoice matches contracted PO pricing and quantities, eliminating the need for time-consuming manual verifications. Smart functionality reduces invoice errors, overpayments, and duplicate payments.</p>
Invoice processing workflow	<p>Our invoice management solution simplifies the entire workflow — including approvals, exception handling, tracking, and reporting — and frees accounts payable staff to focus on key strategic activities. The County can integrate our automated routing with your management systems to maintain up-to-date information, and help ensure approval hierarchies and approver information are always accurate. The end result is that the e-invoice goes directly to approvers, and not to the payables department.</p> <p>Our solution handles two- and three-way matching, discount capture, contract capabilities, and payment integration. This functionality helps reduce the risk of overpayments and duplicate payments, and creates documentation and audit trails needed for Sarbanes-Oxley compliance.</p>
Enhanced working capital management	<p>You can reduce invoice approval time and capture existing payment discounts when you use our invoice management solution. It delivers flexible dynamic discounting options so you can maximize cash flow. With dynamic discounting, you determine the discount rate you would like to receive from your suppliers. The supplier gets maximum flexibility and you get the appropriate base discount rate the County needs.</p>

<p>Your suppliers also benefit</p>	<p>The County will gain the efficiencies of an automated invoice management solution, and your suppliers can enroll in our supplier network and send invoices to you at no cost. Additionally, our solution provides your suppliers with visibility to payment remittance information online — so it is easy for them to check the status of payments without having to contact the County.</p> <p>Our supplier services group provides ongoing support to your suppliers to help them leverage the system and create their own internal efficiencies. This support includes general system functionality and process assistance, and support with invoice file uploads.</p>
<p>Total payables solution</p>	<p>Combine our invoice management solution with our consolidated payables service for an even more efficient electronic payment stream from invoice creation through payment. Automating payments can improve operational efficiency, raise credibility among suppliers, and open up new opportunities to negotiate discounts. Converting to electronic payments eliminates the cost, risk, and excess time involved with paper checks.</p>

Wholesale lockbox

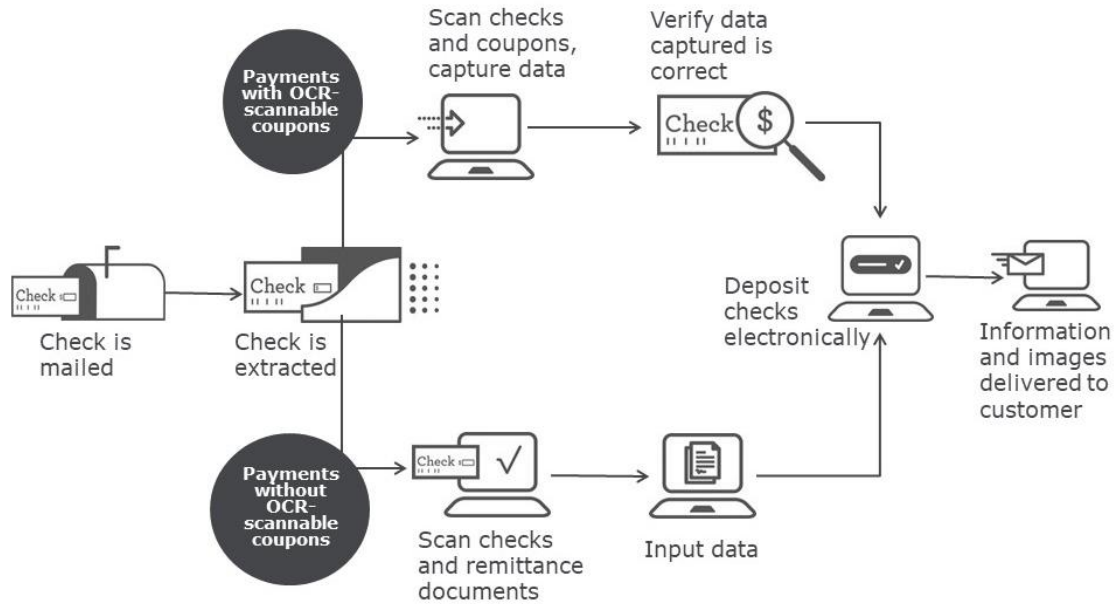
You can streamline your remittance processing by directing payments accompanied by an OCR-scannable coupon, and payments received with non-scannable remittance documents to a single wholesale lockbox at Wells Fargo.

By using our wholesale lockbox to process your payments, you get the **technological advantages** of high-speed retail lockbox processing with the **flexibility and data collection capabilities** of low-volume wholesale lockbox processing.

You may be able to accelerate collection of funds and reduce in-house processing expenses. You may also be able to meet early deposit deadlines and benefit from improved cash forecasting with intraday availability of funds.

How it works

The following diagram shows the wholesale lockbox workflow.



Our network

You can choose from the following image-enabled sites strategically located across the U.S. This broad coverage means your payments can arrive at our lockbox site — and we can begin processing them — a day or two sooner than if you use a more geographically distant site.

The following table shows the lockbox sites in our network.

Wholesale lockbox sites		
Atlanta	Denver	Philadelphia
Baltimore	Des Moines, IA	San Francisco
Charlotte, NC	Los Angeles	Seattle
Chicago	Minneapolis	
Dallas	Orlando, FL	

Site recommendation

Based on the information you provided, we recommend you use our Los Angeles lockbox site.

Post office pickup schedule

The following table lists the post office pickup schedule (in local time) for your recommended site. Holiday schedules vary by location. During the implementation phase of this project, we'll provide you with the holiday schedule for your recommended location.

Post office location	Weekdays	Saturday	Sunday
Los Angeles Main Postal Facility	AM 12:00, 2:00, 4:00, 6:00, 8:00, 11:00	AM 12:30, 2:00, 4:00, 6:00, 8:00, 11:00	AM 12:30, 2:00, 4:00, 6:00, 8:00, 11:00
	PM 1:30, 3:30, 10:00	PM 10:00	PM 10:00

Deposit deadlines

The deposit deadline for the Los Angeles site is 7:00 p.m. local time. We include payments received after your established deadline (including any payments processed during the weekend or on a holiday), in the following business day’s work.

Image options

When you use our image service, you’ll have less paper to store and more access to the information you need to research and apply payments – without the hassle of storing paper documents. You can view images of all lockbox documents, including checks, remittance documents, and correspondence. Internet, transmission, and DVD delivery options are available.

Online

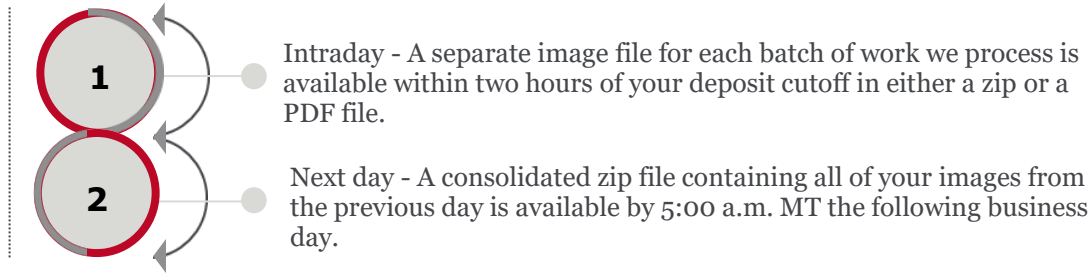
Your images are available within two hours of your deposit deadline. As a standard, we archive images for seven years. However, we do offer shorter retention periods (90 days, one year, or two years) to customers who don’t have a business need to access images for seven years.

You can search for transactions using various criteria (including keyed data) by entering either a single value or a range of values. Additionally, you can assign a payer name to a unique account number and routing transit number combination; which lets you search for payments from a particular payer.

Our online image service is the quickest option to help you **resolve exceptions** and **satisfy customer service needs**.

Transmission file

We post a daily transmission file on our secure website that contains images of your lockbox checks and any corresponding documents. You can download the file from our website and archive the images on your internal system. You have the option of intraday or next-day file transmissions.



Disk delivery

You can choose to receive your images on a CD or DVD on a regular (monthly, semi-monthly, or weekly) basis.

Optional Features	
Accounts receivable transmission	<p>To help eliminate errors associated with manual keyed entry, you can receive an electronic transmission of your remittance detail. You can use it to update your accounts receivable system, treasury workstation, or ERP platform automatically. Your file can include data from other sources, such as wire and ACH.</p> <p>We generate transmissions to your specifications for frequency and format, including standard BAI V2 and EDI layouts. We offer customization for non-standard formats for an additional fee.</p>
Credit card processing	<p>If your customers provide credit card information, we'll process their payments by keying the information into our credit card processing application. They can use any card with the Visa, Mastercard, American Express, or Discover logo.</p>
Exception processing	<p>Using our online decision tool, you can submit additional processing information for payments that would normally be returned. We present images of each payment to you and give you two options:</p> <ul style="list-style-type: none"> • Accept the payment and enter any additional processing information (such as invoice data required to balance a transaction or missing required keyed data) • Reject the payment and have us mail it to you
Virtual lockbox	<p>You can scan and send us images of checks, correspondence, and invoices you receive at your location. We can then process and deposit them like your other lockbox payments. We'll include these items in the image and data transmission files we send you for uploading to your accounts receivable system.</p>

Virtual lockbox

You can scan and send us images of checks, correspondence, and invoices you receive at your location. We can then process and deposit them like your other lockbox payments. We'll include these items in the image and data transmission files we send you for uploading to your accounts receivable system.

Online decisioning

When you use our online decisioning tool, you can submit additional processing information for payments that we would normally return. Examples include checks we receive without an Optical Character Recognition (OCR) document and checks we receive without customer account information. We present images of each payment to you and give you the following options:

- Accept the payment and enter any additional processing information (such as invoice data required to balance a transaction or missing required keyed data)
- Reject the payment and have us mail it to you

Accounts receivable match

We can accept a read-only copy of your accounts receivable information and use it to research payments that have missing information. To help ensure that we have the most current information, you would need to send us a daily accounts receivable file.

Transaction search

In our image system, we separate items into different categories, so you'll spend less time searching for them. Examples include correspondence only, multiple checks, and credit cards.

Appendix

Price Page (Attachment A)	Tab A
Additional Pricing	Tab B
Offer Form (Attachment B).....	Tab C
Bank References (Attachment C)	Tab D
Optional Services Pricing (Attachment D)	Tab E
Certification Regarding Debarment, Suspension, and Other Responsibility Matters Primary Covered Transactions	Tab F
Copy of original RFP	Tab G
Proposal Evaluation Requirements.....	Tab H
Affidavit By Contractor Certifying That There Was No Collusion In Bidding For Contract	Tab I
Eligibility for Cooperative Purchasing	Tab J
Proposal Checklist.....	Tab K
W-9.....	Tab L
Historic sweep rates	Tab M
Wells Fargo Securities Fixed Income Market and Portfolio strategy.....	Tab N
Availability schedules	Tab O
Disclosures and disclaimers	Tab P
Account agreements and service descriptions	Tab Q

ELIGIBILITY FOR COOPERATIVE PURCHASING

The Offeror shall indicate on this page whether other public agencies may participate in this contract during the contract term. If "Yes" is checked, any eligible federal, state or local public agency that has entered into a cooperative purchasing agreement with Navajo County may participate in this contract during the contract term (per ARS § 41-2632). If "No" is checked, the contract will not be eligible for cooperative purchasing by other agencies.

YES – Eligible for cooperative purchasing

NO – Not eligible for cooperative purchasing

NOTICE IS HEREBY GIVEN that all proposal documents shall be completed and/or executed and submitted with the proposal. If Vendor fails to complete and/or execute any portion of the proposal documents, this proposal will be determined to be “non responsive” and rejected.

Pricing shall be customized for each agency by Wells Fargo. Pricing will consider items such as: tenure of relationship (for existing customers), length of proposed contract, size of customer (based on population), public rating of entity (S&P, Moody's, Fitch), volume of individual services (monthly/annually), breadth of services needed (treasury, lockbox, public finance, credit, asset management, merchant processing, etc.), size of deposits the Bank will hold.



Navajo County Public Works Department

LETTER OF TRANSMITTAL

April 22, 2020

John Musto
Relationship Manager
Wells Fargo Bank, N.A.
100 W. Washington St., 20th Floor
Phoenix, AZ 85003

WE ARE SENDING YOU 2 x ATTACHED UNDER SEPARATE COVER VIA

<i>NUMBER OF COPIES</i>	<i>DESCRIPTION</i>
2	Contract Documents
2	Notice of Award

REMARKS: Attached are two copies of the contract for Bank Services Agreement, Contract #820-01-030 and two copies of the Notice of Award. Please obtain appropriate signatures and return one original of each document to my office at your earliest convenience. If you have any questions, please contact me at (928) 524-4100.

Signature: *Cheryl Hollins*
Cheryl Hollins, Sr. Account Specialist



Navajo County Public Works Department

NOTICE of AWA RD

CONTRACTOR: John Musto
Relationship Manager
Wells Fargo Bank, N.A..
100 W. Washington St., 20th Floor
Phoenix, AZ 85003

DATE: April 22, 2020

PROJECT: Bank Servicing Agreement, Navajo County Arizona, Contract #820-01-030

The Navajo County Board of Supervisors has considered the proposal submitted by you for the above referenced contract in response to its Request for Proposals. You are hereby notified that your proposal for the Bank Servicing Agreement, Navajo County Arizona, Contract #B20-01-030 has been accepted as stated in your cost proposal.

You are requested to execute the Agreement within 10 calendar days from the date of this Notice of Award to you. If you fail to execute said Agreement within 10 (ten) calendar days from the date of this Notice of Award, said Owner will be entitled to consider all your rights arising out of the Owner's acceptance of your proposal to be abandoned and as a forfeiture of your Bid Bond, if any. The Owner will be entitled to such other rights as may be granted by law.

You are required to return an acknowledged copy of this Notice of Award to the Owner.

Dated this 22nd day of April 2020. By: Cheryl Hollins
Cheryl Hollins, Sr. Account Specialist

ACCEPTANCE of NOTICE

Receipt of the foregoing Notice of Award is hereby acknowledged

By: John Musto, this 25th day of June, 2020.
(Print Name)

Signature: [Signature] Title: Relationship Manager

CONTRACT

THIS CONTRACT is made and entered into as of July 1, 2020 (the "Effective Date") by and between Navajo County ("County") and Wells Fargo Bank, N.A. ("Contractor").

1. **SCOPE OF WORK:** Contractor shall furnish any and all materials, equipment and labor required for performing all work for **Bank Services Agreement, Contract, #820-01-030**, in accordance with the Contract Documents.
2. **CONTRACT DOCUMENTS:** The Contract Documents comprise this Contract, the Service Documentation and the Request for Proposals, Proposal Submittal dated March 16, 2020, and addenda thereto, if any. If there is any conflict in the documents, this Contract shall control over all others.
3. **NO LIENS / TIME FOR COMPLETION:** Contractor shall furnish all materials, equipment and labor in accordance with the Contract Documents free and clear of all claims, liens and charges whatsoever, within the time, or times, stated in the Proposal.
4. **CANCELLATION:** This Contract is subject to cancellation pursuant to A.R.S. § 38- 511 (concerning conflicts of interest).
5. **PAYMENTS:** Payment, if any, shall be made on the basis of the unit price(s) bid for the awarded items in the Bidding Schedule for Contract **#820-01-030**. Contractor shall submit invoices to County for all work performed hereunder. No later than 30 days after each invoice has been verified and approved by the County, County shall pay to Contractor 100% of the approved amount.
6. **CERTIFICATIONS:**
 - A. Pursuant to A.R.S. § 41-4401, Contractor warrants compliance with all federal immigration laws and regulations relating to their employees and compliance with the E-verify requirements under A.R.S. § 23- 214(A). Contractor's breach of this warranty shall be deemed a material breach of the Contract and may result in termination of the Contract by County. County may randomly inspect the books and records of Contractor to verify compliance with this warranty, provided, however that Contractor cannot allow physical facility audits for security and confidentiality reasons. Contractor warrants to keep their books and records open for random inspection by County during normal business hours with reasonable prior notice and in accordance with Contractor's policies. Contractor will consider requests to demonstrate compliance with this contract; however, some information is considered confidential and proprietary and cannot be released to external parties. If this situation occurs, the Contractor will make a good faith effort to provide as much information as possible within its corporate Information Security and Data Protection and Privacy policies.
 - B. Pursuant to A.R.S. §§ 35-391.06 and 35-393.06, Contractor certifies that it does not have a scrutinized business operation in Sudan or Iran. The term "scrutinized business operation" shall have the meaning set forth in A.R.S. §§ 35- 391 or 35-393, as applicable. Any falsification in regard to this warranty shall be

deemed a material breach of the Contract and may result in termination of the Contract by County

IN WITNESS WHEREOF, the authorized representatives of the parties have executed this Contract as of the Effective Date.

NAVAJO COUNTY
WELLS FARGO BANK N.A.

CONTRACTOR

By 
Chairman, Board of Supervisors

By 

A lie U) &.d Jr

Print Name

Clerk of the Board

-0

Relationship Manager
Title

RFP No. B20-01-030 Bank Services Agreement Evaluation Criteria

Bank of the West	P. Peterson	K. Lopez	O. Todd
Evaluation Criteria			
A. Ability to meet the services and technical needs of the County (MAX 40 Points)	33	32	24
B. Proven skills and technical competence (MAX 30 Points)	25	22	24
C. Overall cost of service MAX 25 Points	10	6	13
D. Quality and completeness of Proposal (MAX 5 Points)	4	4	4
TOTAL POINTS:	72	64	65

201

National Bank of Arizona	P. Peterson	K. Lopez	O. Todd
Evaluation Criteria			
A. Ability to meet the services and technical needs of the County (MAX 40 Points)	36	35	30
B. Proven skills and technical competence (MAX 30 Points)	27	25	26
C. Overall cost of service MAX 25 Points	15	10	18
D. Quality and completeness of Proposal (MAX 5 Points)	4	3	3
TOTAL POINTS:	82	73	77

232

Wells Fargo	P. Peterson	K. Lopez	O. Todd
Evaluation Criteria			
A. Ability to meet the services and technical needs of the County (MAX 40 Points)	39	38	38
B. Proven skills and technical competence (MAX 30 Points)	29	28	28
C. Overall cost of service MAX 25 Points	20	13	23
D. Quality and completeness of Proposal (MAX 5 Points)	5	5	5
TOTAL POINTS:	93	84	94

271

OFFER FORM (Attachment B)

TO NAVAJO COUNTY

The Undersigned hereby offers and agrees to furnish the material or service in compliance with all terms, scope of work, conditions, specifications, and amendments in the Request for Proposals

In accordance with A.R.S. § 35-393, the Offeror hereby certifies that the Offeror does not have scrutinized business operations in Iran.

In accordance with A.R.S § 35-391, the Offeror hereby certifies that the Offeror does not have scrutinized business operations in Sudan.

For clarification of this offer, contact:

Wills Fargo Bank
Company Name

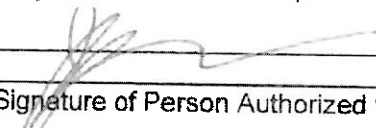
Name: _____

1111 W 1/4 b s fo/r1 76

Phone: 602 378 2133

Address
Phoenix AZ 85003
City State Zip

Fax: 602 378 2133


Signature of Person Authorized to Sign

E-mail: John.F.McC...@wellsfargo.com

John McC...
Printed Name

Relationship Manager
Title

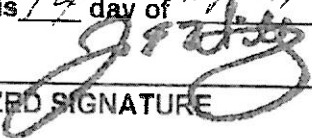
ACCEPTANCE OF OFFER:

The offer is hereby accepted.

The Vendor is now bound to provide the materials or services listed in RFP# 8 20-01-030 including all terms, conditions, specifications, amendments, etc., and the Vendor's Offer as accepted by Navajo County.

The Vendor has been cautioned not to commence any billable work or to provide any material or service under this contract until Vendor receives this signed sheet, or written notice to proceed.

Awarded this 14 day of April 2020


AUTHORIZED SIGNATURE

Petition to Flagstaff
City Council:
“Climate Emergency:
Stop the Money
Pipeline”



March 14, 2023



Citizens Petition

Overview

- The City received a Citizen's Petition on May 03, 2022
- Title: Citizen Petition: "Climate Emergency: Stop the Money Pipeline"
- Action Requested: "We request that the Flagstaff City Council instruct the City's financial managers to move the City's banking from Wells Fargo, one of the world's top financiers of the fossil fuel industry, to a Community Bank or Credit Union."
- On May 17, 2022, the petition was discussed in Work Session and City Council agreed to have further discussion on the topic.



City of Flagstaff Banking



Topics for Consideration

- Banking Services
- Partnership
- Current Banking Services Contract
- Wells Fargo in the Community
- Wells Fargo's approach to Climate Action and fossil fuels
- Staff Recommendation
- Discussion



City of Flagstaff Banking

Banking Services

- Many value added banking services have been provided during our partnership with Wells Fargo.
- Next few slides will demonstrate services the City relies on.
- Wells Fargo services are proprietary to Wells Fargo which allows
 - Cost control and risk management related to services
 - Develop based on customer needs
- Smaller institutions and credit unions are reliant on third parties (like Wells Fargo) to provide the products and services, they pass the costs down the customer.



City of Flagstaff Banking



Banking Services

Deposits:

- To ensure the City receives maximum benefit from its deposits, Wells Fargo continually works with the City to identify the best deposit strategies to ensure those strategies remain relevant to the constantly changing rate environment.



City of Flagstaff Banking

Banking Services

Collateralization Program:

- State Statutes and Regulations Governing Public Funds Deposits: Arizona Revised Statutes (ARS) Title 35, Public Finances § 35-1207, provides that:
 - Collateral for public deposits ... “required collateral shall be one hundred two percent (102%) of public deposits less any applicable deposit insurance.”
 - Wells Fargo Bank’s program, specifically designed to satisfy all applicable statutes and regulations, governing public funds deposits.
 - Dedicated Public Funds Collateral Management team provides seamless collateralization of the City’s public fund deposits in excess of FDIC insurance coverage.



City of Flagstaff Banking



Banking Services

Fraud Controls:

- Wells Fargo provides protection to the City from unauthorized electronic debits and fraudulent check writing
- Essential controls are in place that prevent transactions from clearing, and provides notice to City staff of the attempts.
- Wells Fargo has provides the City with numerous resources identifying the latest trends on potential fraud as well as best practices to protect City funds.
- City has had fraudulent activity, Wells Fargo kept the City whole



City of Flagstaff Banking



Banking Services

Fraud Controls:

- **ACH Fraud Filter:** This service ensures that no unauthorized electronic debits can be cleared from the City's accounts.
 - City utilizes ACH for Payroll, Accounts Payable, Municipal Bills, Miscellaneous Accounts Receivable, Some Vendor Payments, Federal and State Grants
- **Positive Pay:** This service provides check protection for City's General Checking and Payroll check writing accounts.
 - The City provides information on checks written
 - Wells Fargo verifies all details of each check before paying
 - Exceptions are notified to the City to reject or accept



City of Flagstaff Banking

Banking Services

Disbursements:

- Wells Fargo provides several ways for the City to complete payments
- Checking: The City utilizes checks for payroll, accounts payable, court bond refunds, Health Equity, and Housing Authority payments
- Direct Deposit: The City utilizes direct deposit services for payroll
- ACH Origination (Electronic Funds Transfers): The City utilizes
 - Direct deposit services for payroll
 - Autopay for Municipal bills and Miscellaneous Accounts Receivables
 - State and Federal payments



City of Flagstaff Banking



Banking Services

Disbursements:

- **Wire Origination and Reporting:**
 - The City relies heavily on payment wires
 - Debt service payments most used and assures our financial obligations are met
 - There is great security around initiation and approval of wires through the online portal.
 - Allows staff to send payments during emergencies or system outages.
 - The City will receive a call for unusual activity for our decision to reject or approve.



City of Flagstaff Banking



Banking Services

Collections:

- Wells Fargo provides standard branch deposits and innovative tools to deposit funds while providing customers ways to pay for City services
- Electronic Lockbox: Allows for utility payments to be accepted electronically versus a mailed-in paper check, providing funds faster to the City while also giving timely credit to the constituent's utility account.
- Smart Safe: With an onsite smart safe, the City securely collects and deposits cash on site. This allows for the City to report collections sooner, reduce risk, and reduce daily armored car services.



City of Flagstaff Banking



Banking Services

Collections:

- **Image Cash Letter:** This solution allows the City, through the City's cashiering system, to collect checks onsite, posting payments in real time. At the end of the day, all collections are included on a data file to Wells Fargo that electronically credits the City.
- **Desktop Deposit:** For miscellaneous collections, City staff members deposit funds on site utilizing a desktop scanner through Wells Fargo online banking portal. By using this solution, the City can deposit funds as soon as they are received and reduce trips to the branch.



City of Flagstaff Banking

Banking Services

Reporting Tools:

- The City has many types of collections and disbursements, which require robust search and reporting capabilities.
- Online Reporting Tools: Today, Wells Fargo provides daily activity, returned item, and transaction-specific reporting along with robust search and image-viewing tools to assist with ADHOC research and monthly bank reconciliation.
- Automated Receivables: A daily receivables file for utility payments is provided to the City helping avoid manual keying and assist with posting payments accurately and timely. reconciliation process.



City of Flagstaff Banking



Banking Services

Reporting Tools:

- **Deposit Location Reporting:** With a unique location identifier on different department's deposit tickets, Wells Fargo provides location-specific information for deposits. This allows for funds to be allocated appropriately and timely, which also helps with accurate monthly reconciliations
- **Paid Check File:** To aid in timely reconciliation of cleared checks, Wells Fargo delivers a paid check file. This import file is uploaded directly to the City's accounting system to provide quick reconciliation of paid check items and further improve the monthly reconciliation process.



City of Flagstaff Banking

Banking Services

Earnings Credit Offset:

- The City earns a monthly earnings allowance, based on the average collected monthly balance for any given month. This earnings allowance is used to offset the monthly banking service fees.
- The City's goal is a net sum zero position.
- The City and Wells Fargo have implemented a deposit strategy to meet the net sum zero goal while also earning interest on excess deposit balances.
- In calendar year 2022 the City paid \$0 dollars out of pocket for its banking services while receiving \$104,809 in banking services.



City of Flagstaff Banking

Banking Services

Wells Fargo CEO/Mobile Banking Services:

- View account details and reports, download monthly statements
- Transaction search, stop payments
- Initiate/schedule funds transfers between accounts
- Online Administration of User Accounts
 - Ability to manage City Staff's access based on responsibilities in the organization.
 - Ease to add, disable or delete users
 - Can specify to the Account and Services levels



City of Flagstaff Banking



Banking Services

Other Valuable Services:

- Overnight Sweeps
 - The City sets a daily minimum cash balance for our checking account
 - Nightly Wells Fargo sweeps funds above the daily minimum
 - The City earns overnight interest from Treasury notes
- Money Market Mutual Fund Options
 - The City may move some excess cash balances to a Money Market fund
 - Allows for higher interest earnings
 - Longer term cash balances are moved into our Investment Portfolio
- Employee Benefits: Financial workshops, My Financial Guide, financial health microsite, hands on banking, My Money Map



City of Flagstaff Banking



Partnership

- **Banking Services Partner and Dedicated Government Banking Team:**
 - Wells Fargo Bank has been the City's banking services partner for over 35 years (since 1986).
 - Our partnership is both collaborative and inclusive.
 - Dedicated Government Banking team provides has an array of resources ready to provide best practices, success stories and innovative solutions.
 - As banking partner, Wells Fargo provides both innovative solutions and forward thinking to help position the City for the future.
 - The bank's dedicated team specializes in local government and provides regular feedback and insight on how other cities are evolving in the ever-changing bank environment and improve daily operations.



City of Flagstaff Banking

Partnership

Ethnography Studies: Study of people in their own environment

- Revenue Section completed a study April 2018. Focus on cash handling, reconciling, online payments.
 - Wells Fargo observed staff processes at City Hall, Aquaplex, City Court, Police Department, and Landfill
 - Best practices recommended, list of 50 action items from short term to long term process improvement recommendation
 - Lots of the feedback was implemented
 - Having the recommendations prior to COVID helped us adapt
- Accounts Payable program currently under review



City of Flagstaff Banking

Current Banking Services Contract

- The city is currently on a Cooperative Contract with Navajo County
 - Navajo County followed state procurement rules and entered into the contract with Wells Fargo July 1, 2020
 - Wells Fargo received 271 of 300 points available
 - Contact term is a three year period with option to extend 1 two year term, through June 30, 2025
- The City joined the Cooperative December 17, 2021
- Initial term is through June 30, 2023 with 2 one year extensions
- Cooperatives save 6-12 months of work to procure a contract
- The City can extend the contract FY 2024 and FY 2025



City of Flagstaff Banking

Current Contract

- With the Wells Fargo Earnings Credit offset, the City can manage cash balances to offset up to 100% of the services provided
- In calendar year 2022, the City paid \$0 for all the services provided
- Working with our Partner Wells Fargo we can continue to keep cost down for the City
- The contract's initial term was for less than \$50,000 which allows staff to sign into the contact



City of Flagstaff Banking



Wells Fargo in the Community

- Wells Fargo Bank takes pride in being a part of the Flagstaff community since 1895.
- Currently, 24 Wells Fargo employees live or work in Flagstaff.
- Services for Consumers, Small Business Banking, Commercial Banking, Wealth and Investment Management, and Human Resources
- Between 2019 and 2021, contributed more than \$1.1 million to Flagstaff nonprofits and over \$1.6 million countywide



City of Flagstaff Banking

Wells Fargo in the Community

- Between 2019 and 2022, Wells Fargo has contributed more than \$1,148,000 to Flagstaff non-profits and other charities supporting local neighborhoods and businesses. Wells Fargo's priority focus has been on financial health and housing affordability. Recipients included:
 - Coconino County Community College Foundation, Flagstaff Family Food Center, Flagstaff Shelter Services, Habitat for Humanity of Northern Arizona, Housing Solutions of Northern Arizona, Red Feather Development Group, Rural Community Assistance Corp., United Way of Northern Arizona



City of Flagstaff Banking

Wells Fargo in the Community

- Within Coconino County during that same period, Wells Fargo's contributed in excess of \$1,657,000 to non-profits with housing affordability and financial health as our top priority. In addition to those Flagstaff organizations, recipients included:
 - Change Labs, Earn to Learn, Grand Canyon Conservancy, Museum of Northern Arizona, National Forest Foundation



City of Flagstaff Banking

Wells Fargo approach to Climate Action and fossil fuels

- Task Force for Climate-Related Financial Disclosures Report
- History of Climate Action with Wells Fargo
 - 2005: 1st bank of its size to provide \$1M in environmental financing
 - 2006: Renewable Energy and Environmental Finance group formed
 - 2007: 1st corp. to lead EPA's top 25 list of green power purchasers
 - 2008: Launches first Sustainability fund
 - 2013: Earned recognition from the Environmental Protection Agency's Climate Leadership program for Excellence in Greenhouse Gas Management
 - 2014: Underwrote 1st nonfinancial sector Corporate Green Bonds



City of Flagstaff Banking

Wells Fargo approach to Climate Action and fossil fuels

- Task Force for Climate-Related Financial Disclosures Report
- History of Climate Action with Wells Fargo (Continued)
 - 2017: Met 100% of electric consumption with renewable sources
 - 2017: Exceeded 30 million square feet of LEED Certified space
 - 2018: Provided \$5M funding to create Tribal Solar Accelerator Fund
 - 2019: Achieved carbon neutrality across organization with purchase of carbon offsets
 - 2019: 1st Power Purchase Agreement with NRG Energy for 24MW
 - 2020: Prohibited financing of coal-fired power generation projects



City of Flagstaff Banking



Wells Fargo approach to Climate Action and fossil fuels

- Task Force for Climate-Related Financial Disclosures Report

Select operational and financial sustainability goals	
Goal	2019 Results
Provide \$200 billion in financing to sustainable businesses and projects by 2030, including clean/renewable energy, green buildings, and green bonds	Provided ~\$26 billion to sustainable businesses and projects, bringing our cumulative total to ~\$49 billion (since 2018) of our \$200 billion commitment
Reduce energy consumption 40%	Reduced consumption 38% (from 2008 baseline)
Purchase renewable electricity to meet 100% of our global operations needs by the close of 2017	Met 100% of our global electricity needs with renewable energy sources (since 2017) ¹¹
Reduce greenhouse gas emissions 45%	Achieved a 52% reduction (from 2008 baseline). Purchased carbon offsets to achieve carbon neutrality for our 2019 operations.
Achieve LEED® certification for 35% of buildings (by leased and owned square footage)	30% LEED-certified square footage (2019)
Reduce water consumption 65%	61% reduction (from 2008 baseline)
Reduce total waste stream 50%	46% reduction (from 2010 baseline)



City of Flagstaff Banking



Wells Fargo approach to Climate Action and fossil fuels

- Wells Fargo recognizes that climate change is one of the most urgent environmental and social issues of our time.
- May 2022 Wells Fargo released CO2eMission: A net-zero alignment and target-setting methodology
- Net Zero greenhouse gas emissions by 2050
 - Includes both WF operations and emissions of clients that can be contributed to WF financing



City of Flagstaff Banking

Wells Fargo approach to Climate Action and fossil fuels

- Interim target for 2030 for the Gas & Oil and Power sectors

Sector	Metric	2019 Baseline	2030 Target	Financing activities included in the targets	Climate scenario relied upon to set target
Oil & Gas (Scopes 1, 2, and 3)	Absolute emissions (Mt CO ₂ e) ¹	97.7 Mt CO ₂ e	72.3 Mt CO ₂ e 26% reduction from 2019 baseline	<ul style="list-style-type: none">• Lending• Debt and equity capital markets facilitation	Network for Greening the Financial System (NGFS) Orderly Net Zero 2050 (June 2021)
Power (Scope 1)	Emissions intensity (kg CO ₂ e/MWh) ²	253 kg CO ₂ e/MWh	102 kg CO ₂ e/MWh 60% reduction from 2019 baseline	<ul style="list-style-type: none">• Lending• Debt and equity capital markets facilitation• Renewable energy financing	NGFS Orderly Net Zero 2050 (June 2021)



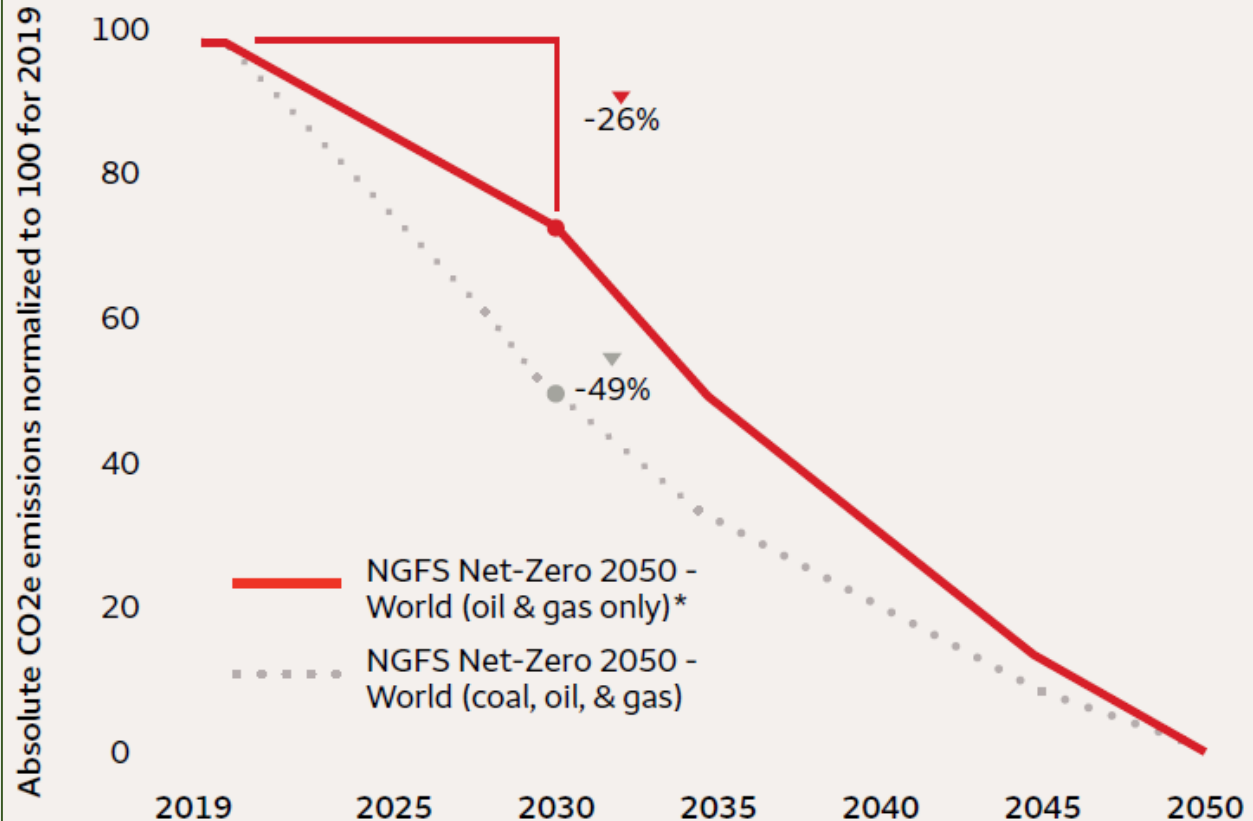
City of Flagstaff Banking



Wells Fargo approach to Climate Action and fossil fuels

- Gas & Oil sectors

Absolute CO₂e Emissions Reduction Pathways (Scopes 1-3)



*Estimated to exclude the impact of coal on Scope 3 emissions



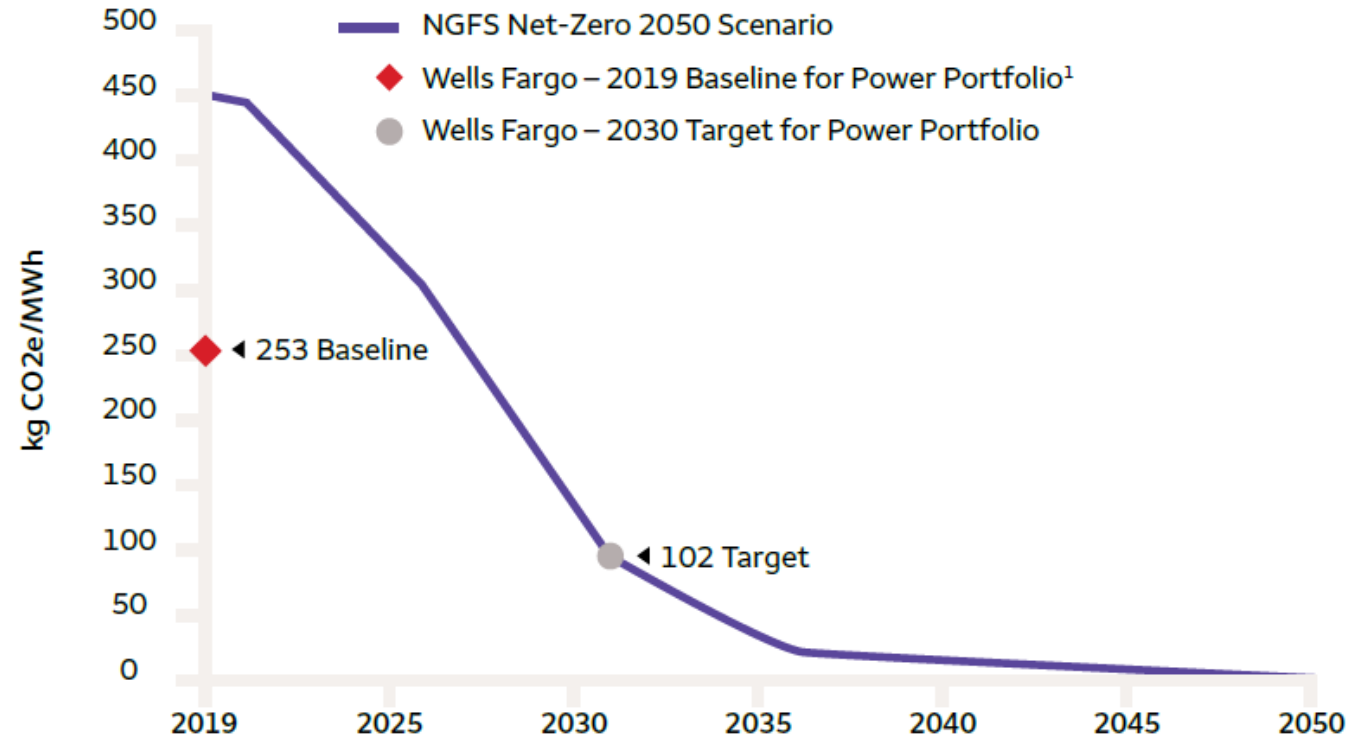
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Wells Fargo approach to Climate Action and fossil fuels

- Power sectors

Scope 1 Intensity: 2019 Baseline, Scenario, and Wells Fargo 2030 Target



1. Power sector baseline calculated using 2020 power generation data as a proxy for 2019 data due to data availability.



City of Flagstaff Banking

Wells Fargo approach to Climate Action and fossil fuels

- A leader in sustainable financing
- Committed \$500 Billion to sustainable finance

2022 U.S. Sustainability-Linked Loans Bookrunner				
Bookrunner	Rank	Volume (\$M)	Market Share (%)	# of Deals
Bank of America	1	21,122	18.2	57
JPMorgan	2	12,725	10.6	41
Wells Fargo	3	12,455	10.7	41
Citi	4	6,336	5.5	23
BNP	5	4,270	3.7	16
Barclays	6	3,995	3.4	16
Goldman Sachs	7	3,804	3.3	11
RBC	8	3,794	3.3	11
TD	9	3,735	3.2	11
Mizuho	10	3,442	2.9	13



City of Flagstaff Banking

Staff Discussion/Recommendation

- Banking services are an administrative function of the City Treasurer
- The City Treasurer shall (Charter):
 - receive and have custody of all the money
 - keep and save said money
 - dispense the same only as provided by ordinance
 - always be bound by the Constitution, laws of the State, Charter of the City, and ordinances, and upon whom legal garnishments may be served



City of Flagstaff Banking

Staff Discussion/Recommendation

- Procurement rules allows staff to enter in to Cooperative Agreements with under \$50,000 annual costs
- Current services received cost the City \$0
- City banking services are complex
- The City and Wells Fargo have a great working relationship
- Wells Fargo is addressing Climate Action through CO2eMission
- Staff anticipates continuing the contract with Wells Fargo for the City's full-service banking needs

Petition to Flagstaff City Council:

Petition to Flagstaff City
Council: “Climate
Emergency: Stop the
Money Pipeline”



“We request that the Flagstaff City Council instruct the City’s financial managers to move the City’s banking from Wells Fargo, one of the world’s top financiers of the fossil fuel industry, to a Community Bank or Credit Union.”

Questions?

CO₂eMission

EXECUTIVE SUMMARY

May 2022

Our Net-Zero Goal

At Wells Fargo, we view climate change as one of the most urgent environmental and social issues of our time. To limit the impacts of climate change, the 2015 Paris Agreement strives to keep the global average temperature rise in this century to

1.5°C, compared to pre-industrial levels. Meeting this goal requires immediate and collective efforts across the globe to reduce the concentration of greenhouse gases in the atmosphere that are driving climate change. Driving down emissions will require, among other things, significant changes in public policy,

the creation and deployment of new technologies, and a significant amount of capital investment.

Financial institutions like Wells Fargo can play a critical role in working with governments, industry, and communities to help finance the transformation and transition of carbon-intensive assets,

infrastructure, and business models. In March 2021 we set a goal of net-zero greenhouse gas emissions by 2050. This goal includes the emissions from

In March 2021
we set a goal of
net-zero greenhouse
gas emissions
by 2050.

our own operations — e.g., our data centers, offices, and branches — as well as emissions of clients that can be attributed to our financing.

To address our net-zero goal with respect to our clients' emissions, we developed Wells Fargo's CO₂eMissionSM, a methodology for aligning our financing activities to net zero and setting interim emissions targets for key high-emitting sector portfolios. We set interim 2030 targets for the Oil & Gas and Power sectors, aiming to reduce from our 2019 baseline the absolute emissions associated with our Oil & Gas portfolio by 26% and the emissions intensity of our Power portfolio by 60%.





CO2eMission

In developing CO2eMission, we reviewed and assessed differing approaches and various industry standards, guidance, and tools. We joined the Net-Zero Banking Alliance (NZBA) in October 2021 and designed CO2eMission referencing NZBA target-setting guidelines. Our current approach reflects our best efforts, given what we know now and the need to act. We anticipate that our methodology will change over time as we measure progress against our targets, the practice of financial institution target-setting matures, emissions data improves, and climate scenarios evolve.

Although NZBA and supporting industry frameworks and tools do not currently include funding arranged in

the capital markets, we decided to include it in our methodology to more fully capture our financing activities in each sector. We minimize the potential volatility inherent in capital markets facilitation activities by amortizing these activities over a five-year period. To further limit volatility due to changes in enterprise value, CO2eMission's approach fixes client value as of December 31, 2019 (the baseline year) for all financing activities that occur on or before that date and at the end of the applicable quarter for all new financing activities made after that date.

At the inception, we committed to set targets for the Oil & Gas and Power sectors by the end of 2022.

Methodology Framework

The framework for our methodology is a multi-step process outlined in the following figure.



Select a sector and define activities and emissions in scope. Our methodology takes a sector-based approach, meaning that we set separate targets for each sector, rather than a global target for our portfolio as a whole. This approach recognizes that each economic sector is unique with its own decarbonization pathway.

Our sector-based approach further acknowledges that each economic sector is composed of a unique value chain, which needs to be individually evaluated to understand how best to support sectoral decarbonization. When we consider a sector for target setting, we evaluate each component of the value chain to prioritize specific sections that have high emissions and, where data exists, to understand drivers of broader emission patterns.

Within the analyzed portion of the value chain, we review our clients' direct emissions (Scope 1) and indirect emissions (Scopes 2 and 3), with a goal of developing targets that include client emission scopes for activities

that are both high-emitting and key to our clients' transitions.

Evaluate climate scenario and derive benchmark. Climate scenarios are foundational to alignment and target-setting methodologies. We used the information and assumptions contained in climate scenarios to derive benchmarks, which define how a financial portfolio for a specific sector could transform over time to align with net zero. We used the benchmarks to set interim targets and to periodically measure portfolio performance. To set our targets for the Oil & Gas and Power sectors, we relied upon the [Network for Greening the Financial System \(NGFS\) Orderly Net Zero 2050 scenario](#).

Select metric for benchmark and target. We selected metrics for our benchmarks and targets informed by the transition pathways for a sector outlined in climate scenarios. We considered two quantitative metrics — an absolute emissions metric and an emissions intensity metric. An absolute

We developed our sector-specific targets in close collaboration with our line of business and enterprise strategy teams.

emissions metric refers to the total quantity of greenhouse gases being emitted into the atmosphere; e.g., million metric tons of carbon dioxide equivalents (CO₂e). An intensity metric is expressed as a ratio of absolute emissions over a unit of output (e.g., kilograms of CO₂e per megawatt-hour of electricity). The choice between the metrics is often determined based on sector idiosyncrasies.

Set sector-specific target. We set sectoral targets to begin aligning our portfolios with an underlying benchmark. In setting a target, we chose (1) the baseline year to begin measuring against and (2) the year by which we need to reach the target. In determining the time horizon, we strive to select a target year that provides clients sufficient time to transition

their business while remaining within the realm of foreseeable technological innovation, market formation, and policy development relevant to a portfolio's emissions trajectory.

We developed our sector-specific targets in close collaboration with our line of business and enterprise strategy teams to account for variables such as the potential for decarbonization opportunities, identified business growth, and projected capital stock turnover.

Measure portfolio alignment and track progress. The final step in our framework is to measure our financial portfolio's alignment with the benchmark to track our progress. To measure alignment, we compared the aggregate client emissions attributable to our financing for a sector to the sector-specific benchmark. Measuring portfolio alignment allows us to account for clients' decarbonization progress and calibrate and guide our own actions to support them.

Our 2030 targets for the Oil & Gas and Power sectors

Following the framework above, we set interim targets for the Oil & Gas and Power sectors as shown in the following table.

Sector	Metric	2019 Baseline	2030 Target	Financing activities included in the targets	Climate scenario relied upon to set target
Oil & Gas (Scopes 1, 2, and 3)	Absolute emissions (Mt CO ₂ e) ¹	97.7 Mt CO ₂ e	72.3 Mt CO ₂ e 26% reduction from 2019 baseline	<ul style="list-style-type: none"> Lending Debt and equity capital markets facilitation 	Network for Greening the Financial System (NGFS) Orderly Net Zero 2050 (June 2021)
Power (Scope 1)	Emissions intensity (kg CO ₂ e/MWh) ²	253 kg CO ₂ e/MWh	102 kg CO ₂ e/MWh 60% reduction from 2019 baseline	<ul style="list-style-type: none"> Lending Debt and equity capital markets facilitation Renewable energy financing 	NGFS Orderly Net Zero 2050 (June 2021)

1. Million metric tons (Mt) carbon dioxide equivalent (CO₂e)

2. Kilogram (kg) CO₂e per megawatt-hour (MWh)

Moving forward

Though developing CO₂eMission and setting targets for the Oil & Gas and Power sectors are important milestones for Wells Fargo, additional work remains to position us to reach our 2030 targets and to set future targets that align our other financial portfolios with our net-zero ambition. We are mindful that realizing these

targets, as well as future targets, will require the commercialization of new decarbonizing technologies, shifts in business models and consumer behavior, supportive government policies, and public investment. We are ready to join hands with public and private actors to support this collective effort.

Looking forward, we are working to develop high-level transition plans

that outline categories of actions we expect to take to meet our 2030 targets for the Oil & Gas and Power sectors in line with NZBA target-setting guidance. We also plan to report on the progress we make against our Oil & Gas and Power portfolio targets.

This Executive Summary and the CO2eMission document contain forward-looking statements, which may include future plans, financing,

objectives, targets, and climate-related strategies, including expectations, assumptions, and projections regarding implementation of those strategies. Please see Section 8, Disclaimer of the CO2eMission document, for more information, including factors that could cause our actual implementation to differ materially from our forward-looking statements and for other disclaimers regarding the nature of the content contained herein and in the CO2eMission document.

CO₂eMission

Net-zero alignment and target-setting methodology

May 2022

Any reference to “Wells Fargo,” “the Company,” “we,” “our,” or “us” in this document means Wells Fargo & Company and subsidiaries (consolidated). See Section 6, Abbreviations, for the definitions of abbreviated terms used throughout this document.

This document contains forward-looking statements, which may include future plans, financing, objectives, targets, and climate-related strategies, including expectations, assumptions, and projections regarding implementation of those strategies. Please see Section 8, Disclaimer, for more information, including factors that could cause our actual implementation to differ materially from our forward-looking statements and for other disclaimers regarding the nature of the content contained in this document.

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Introduction¹

The climate challenge

At Wells Fargo, we recognize that climate change is one of the most urgent environmental and social issues of our time. Greenhouse gas emissions from human activity are warming the planet. A future with an average global temperature increase to 1.5°C (2.7°F), compared with the start of the Industrial Age, is expected to include more frequent and more intense floods, storms, and heatwaves. Warming above 1.5°C is expected to further amplify the frequency and severity of extreme events, as incremental temperature increases drive non-linear weather outcomes.²

The 2015 Paris Agreement, a landmark international accord, seeks to address climate change and its negative impacts by setting a goal to keep the global average temperature rise in this century to well below 2°C (3.6°F), striving for 1.5°C, compared to pre-industrial levels. Meeting the

Paris Agreement's objectives requires immediate and collective efforts across the globe to reduce the concentration of greenhouse gases in the atmosphere that are driving climate change. Driving down those emissions will require significant changes in public policy, the creation and deployment of new technologies, and a significant amount of capital investment, among other things. Financial institutions like Wells Fargo can play a role in helping to address these concerns by working with governments, clients, and communities — each of which also has an important role in confronting climate change — to help finance the transformation and transition of carbon-intensive assets, infrastructure, and business models.

Our net-zero goal

In March 2021 we announced a goal of net-zero greenhouse gas emissions³ by 2050, covering our Scope 1 and Scope 2 emissions, as well as our Scope 3,

1. References to publicly available websites are provided herein for your convenience. Unless otherwise noted, Wells Fargo does not control the websites and does not endorse and is not responsible for the content, links, privacy policies, or the security policies of such websites. Please see Section 8, Disclaimer, for other disclaimers regarding the nature of the content contained in this document.

2. "Global Warming of 1.5°C," Intergovernmental Panel on Climate Change, 2018, https://www.ipcc.ch/site/assets/uploads/sites/2/2019/06/SR15_Full_Report_High_Res.pdf, accessed November 9, 2021.

3. Net-zero greenhouse gas emissions means that the amount of greenhouse gases emitted into the atmosphere is no more than the amount removed.

category 15 emissions (i.e., financed emissions).⁴ We achieved carbon neutrality for building operations (Scopes 1 and 2) in 2019 and again in 2020 through improving our operational efficiency, entering into long-term contracts for electricity from renewable energy sources, purchasing renewable energy certificates, and procuring carbon offsets. Addressing the emissions



from our own building operations is an important, long-standing goal, and we are proud of the work we have done to reduce emissions and minimize the impact of our operations and plan to continue with this work.

We recognize, however, that the emissions of the clients we

finance represent a far larger source of emissions than those from our own operations. That is why when we announced our net-zero goal, we specifically included our financed emissions. As a financial services

Our core business is providing financial solutions that enable clients to meet their goals.

company, our core business is providing financial solutions that enable clients to meet their goals. Measuring emissions attributable to our financing activities and setting emissions-based targets for our financial portfolios allows us to better understand how clients are positioned and how we can help them achieve their goals to transition to a low-carbon future.

Our methodology

CO2eMissionSM includes our methodological framework for setting targets to align our financial portfolios with our net-zero goal.

Our methodology relies upon externally developed climate scenarios to construct a benchmark that defines the downward trajectory of emissions attributable to a given financial portfolio over time required to reach

4. Greenhouse gas emissions are categorized into three groups or "Scopes" by the most widely used international accounting tool, the Greenhouse Gas Protocol. Scope 1 covers direct emissions from owned or controlled sources. Scope 2 covers indirect emissions from the generation of purchased electricity, steam, heating, and cooling consumed by the reporting company. Scope 3 covers other indirect emissions that occur in a company's value chain and includes 15 categories of emissions. For more information on the Greenhouse Gas Protocol, see <https://ghgprotocol.org/sites/default/files/standards/ghg-protocol-revised.pdf>.

Measuring portfolio alignment is an important step in our methodology as it provides a mechanism for us to account for our clients' progress.

net zero by 2050. We use the scenario benchmark to set interim portfolio targets.

To measure a financial portfolio's progress toward net zero, we compare the pace at which a given financial portfolio is transitioning against the net-zero aligned benchmark (that is, we measure our portfolio's alignment to the benchmark). We make this comparison by calculating our clients' emissions metrics and attributing these metrics to Wells Fargo based on our financing activities. We then aggregate these attributed emissions for all clients in a given portfolio and compare this to the portfolio benchmark. Measuring portfolio alignment is an important step in our methodology as it provides a mechanism for us to account for our clients' progress and calibrate and guide our actions to support them.

See Section 2, Methodology framework, for a more detailed explanation of our methodology.

Recognizing that each industry or sector of the real economy is unique,⁵ we have taken the approach of grouping our financial portfolios by industry and setting industry-specific targets, rather than a Companywide target, for our financial portfolios. This sector-based approach allows us to set targets informed by the trends and challenges each industry is facing.

To set a sector-specific target, we consider a host of design choices. Our methodology applies certain design choices universally across all sectors. For example, the decision to include both the financing we provide clients through lending activities and the financing we facilitate through debt and equity capital markets activities applies to all sectors. Other design choices, such as which metric to use for a target, are made on sector-specific basis.

As we were developing our methodology, we joined the Net-Zero Banking Alliance (NZBA), an industry-led bank leadership group that supports more than 100 bank members in aligning their financial

5. RMI's Center for Climate-Aligned Finance explains the importance of setting targets on a sector by sector basis, noting this approach can "maximize a financial institution's impact by focusing on where it has the most influence, expertise, and exposure to climate change;" enable targeted problem solving; and highlight investment needs for long-term solutions to reduce emissions. See "IMPACT+ Principles for Climate-Aligned Finance," at p.9, RMI's Center for Climate-Aligned Finance, February 2022, https://climatealignment.org/wp-content/uploads/2022/02/impact_principles_for_climate_aligned_finance_report.pdf, accessed February 9, 2022.

portfolios with net-zero goals. CO2eMission is informed by its target-setting guidelines, which outline principles for setting scientifically informed targets for financial portfolios in key high-emitting sectors.⁶

Our targets

When we announced our net-zero goal, we committed to setting interim targets for the Oil & Gas and Power sectors by the end of 2022. The following table sets forth these targets and key design choices underpinning them.

Developing CO2eMission and setting targets for our Oil & Gas and Power portfolios are important milestones for Wells Fargo. Realizing these targets — including our ultimate net-zero goal by 2050 — will require the commercialization of new technologies, shifts in business models and consumer behavior, supportive government policies, and public investment. In short, these goals depend upon the collective efforts across a wide range of stakeholders outside Wells Fargo’s control.

We anticipate our methodology will evolve over time as approaches to net zero mature, emissions data improves, and climate scenarios evolve. Nevertheless, because climate-related concerns require immediate action, we chose to move forward. We performed our due diligence and developed a methodology that we believe is sound using information and frameworks currently available. As we launch CO2eMission, we intend to continue to address challenges and refine our approach.

2030 Targets for Oil & Gas and Power Sectors

Sector	Metric	2019 Baseline	2030 Target	Financing activities included in the targets	Climate scenario relied upon to set target
Oil & Gas (Scopes 1, 2, and 3, category 11 (use of sold products))	Absolute emissions (Mt CO2e) ¹	97.7 Mt CO2e	72.3 Mt CO2e 26% reduction from 2019 baseline	<ul style="list-style-type: none"> Lending Debt and equity capital markets facilitation 	Network for Greening the Financial System (NGFS) Orderly Net Zero 2050 (June 2021)
Power (Scope 1)	Emissions intensity (kg CO2e/MWh) ²	253 kg CO2e/MWh	102 kg CO2e/MWh 60% reduction from 2019 baseline	<ul style="list-style-type: none"> Lending Debt and equity capital markets facilitation Renewable energy financing 	NGFS Orderly Net Zero 2050 (June 2021)

1. Million metric tons (Mt) carbon dioxide equivalent (CO2e)

2. Kilogram (kg) CO2e per megawatt-hour (MWh)

Methodology framework

The framework used to develop our targets and methodology for each sector is a multi-step process outlined in the following figure. We expect to follow this framework for each sector when we set a target.

Methodology Framework



Select a sector and define activities and emissions in scope

Select a sector. We chose to focus initially on the Oil & Gas and Power sectors — two carbon-intensive sectors for which data and climate scenarios outlining decarbonization pathways are more widely available.

Define activities and emissions in scope

Define activities and emissions in scope. Our sector-based approach to target setting acknowledges that each economic sector comprises a unique value chain, which represents the economic activities companies perform to ultimately create and deliver a product or service. When we consider a sector for target setting, we aim to evaluate the components

Our sector-based approach to target setting acknowledges that each economic sector comprises a unique value chain, which represents the economic activities companies perform to ultimately create and deliver a product or service.

of its value chain to prioritize specific sections that have high emissions and where data exists and to understand drivers of broader emission patterns.⁷

Within the analyzed sections of the value chain, we review our corporate clients' direct emissions (Scope 1) and indirect emissions (Scopes 2 and 3), with a goal of developing targets calibrated around activities and emission scopes that are both high-emitting and key to a sector's transition.⁸

These direct and indirect emissions include the greenhouse gases identified by the Intergovernmental Panel on Climate Change (IPCC).⁹ To enable comparison and aggregation, the IPCC supports a weighting function to convert greenhouse gas emissions into

equivalent emissions of CO₂, often called CO₂ equivalents or CO₂e.

See Section 3.2, Activities and emissions in scope, and Section 4.2, Activities and emissions in scope, for additional information on how we analyzed the value chain and the activities and emissions included in our targets.

Evaluate climate scenario and derive benchmark

Climate scenarios, developed by international bodies and working groups, are foundational to target-setting methodologies. One type of climate scenario, the so-called "normative" scenario, sets a level of ambition in terms of temperature outcome (e.g., limiting the global

7. This approach conceptually draws from and relies on foundational third-party work, including "PACTA for Banks Methodology Document," version 1.1.0, at p.23, Paris Agreement Capital Transition Assessment and 2Investing Initiative, September 18, 2020, <https://www.transitionmonitor.com/wp-content/uploads/2020/09/PACTA-for-Banks-Methodology-Documents.pdf>, accessed November 9, 2021.

8. To categorize financing activities and capital markets transactions, we segment clients and transaction use of proceeds by economic sector using industry classification systems (e.g., the North American Industry Classification System (NAICS)). Mapping industry-specific NAICS codes to value chains is discussed in subsequent sectoral sections of this document.

9. These gases include carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons, sulfur hexafluoride, and nitrogen trifluoride.

Climate scenarios, developed by international bodies and working groups, are foundational to target-setting methodologies.

average temperature rise to 1.5°C) and then works backwards to identify changes that could deliver such an outcome.¹⁰ The modeled futures this type of scenario produces outline pathways of possible societal and technological change aligned with particular temperature goals.

Climate scenarios contain numerous assumptions about future economic events; the growth potential of renewable solar, wind, hydro, and geothermal power and other energy sources; the use of climate technologies such as negative emissions technologies and carbon capture, utilization and storage (CCUS); and decarbonizing industrial innovations. Critically, these scenarios and the assumptions embedded in them do not reflect a probabilistically prescribed future nor do they reflect our expectations of specific policy choices society is likely to follow during the planning horizon. Though the individual milestones specified by these scenarios are unlikely to occur precisely as described, cumulatively

they model detailed proofs-of-concept for industry-specific, low-carbon transformations. By aggregating sector-specific emissions and production data from these scenarios, we are generally able to outline transition pathways.

As noted in the Introduction, we use information and assumptions contained in climate scenarios to derive a benchmark that defines how financed emissions within a particular financial portfolio would need to change over time to reach net zero by 2050. We then use the benchmark to set interim portfolio targets. We measure our portfolio's progress against the benchmark as described below (see "Measure portfolio alignment and track progress").

In selecting a climate scenario, we evaluate a variety of factors, including the level of detail included, the scenario provider's expertise, whether the scenario is premised on aligning to a 1.5°C temperature goal by 2050, and alignment of a scenario's

10. For additional information on normative scenarios, see "Climate Change 2001: Impacts, Adaptation, and Vulnerability," at 3.1.3.2 Normative Scenarios, Working Group II to the Third Assessment Report for the Intergovernmental Panel on Climate Change, 2021, <https://archive.ipcc.ch/ipccreports/tar/wg2/index.php?idp=126#3132>, accessed February 17, 2022.

assumptions with potential transition pathways of our clients. Although we select climate scenarios on a sector by sector basis, we also believe applying consistent scenarios across sectors is preferable where possible. In this

first publication of CO2eMission, we use the same scenario — the Network for Greening the Financial System (NGFS) Orderly Net Zero 2050 (NGFS Net-Zero scenario) — for both the Oil & Gas and Power sectors.

The Network for Greening the Financial System (NGFS) Orderly Net-Zero 2050 Scenario. For our Power and Oil & Gas targets, we elected to use a scenario developed by a transatlantic academic consortium of integrated assessment modelers commissioned by the Central Banks and Supervisors of the NGFS. The selected scenario, “Orderly Net Zero 2050,” was published in June 2021. It is one of six scenarios produced as part of the second phase of the NGFS’s climate scenario program, initiated to support consistent and comparable financial sector climate-related scenario analysis.

In choosing a scenario for these initial sectors, we evaluated several credible and well-recognized sources. For setting our initial 2030 targets, we selected the NGFS Net-Zero scenario based on a number of factors including the scenario’s economy-wide scope and purpose-built design to support the financial sector. We also evaluated the analytical methods used to develop the scenarios and the degree to which they build on existing well-developed models.

Substantively, all net-zero scenarios outline transformational economy-wide changes on an ambitious timeline to meet identified emission targets. NGFS Net-Zero’s path follows a rapid decarbonization of power generation, increasing electrification of industry and end use, significant gains in resource efficiency, and a spectrum of new technologies including carbon dioxide removal to tackle remaining hard-to-abate emissions.

Our review of net-zero scenarios identified considerable assumptions about the rate and scale of changes to the global economy with increasingly pronounced transformations assumed as these scenarios closed in on 2050. Variations across scenarios exist in these later decade milestones, which had limited impacts on our 2030 Oil & Gas and Power targets.

Looking forward, we welcome the further evolution of net-zero scenarios.

For more information about the NGFS scenarios, see the NGFS’s interactive scenario explorer:

<https://www.ngfs.net/ngfs-scenarios-portal/explore/>.

Select metric for benchmark and target

We select metrics for our benchmarks and targets informed by the transition pathways for a sector outlined in climate scenarios. In so doing, we consider two quantitative metrics — an absolute emissions metric and an emissions intensity metric. An absolute emissions metric refers to the total quantity of greenhouse gases being emitted into the atmosphere (e.g., million metric tons of CO₂e). An intensity metric is expressed as a ratio of absolute emissions over a unit of output (e.g., kilograms of CO₂e per megawatt-hour). The choice between the metrics is determined based on sector idiosyncrasies.

In addition to quantitative metrics, our methodology strives to account for clients' progress in reducing emissions that a selected quantitative metric cannot capture. For example, our emissions intensity metric for the Power sector currently does not account for some of the decarbonization efforts made by municipalities and rural electric cooperatives (which comprise the public power sector). The public power sector's energy transition relies, in part, upon procuring electricity generated from renewable energy resources

through power purchase agreements. Clients do not uniformly disclose information associated with these agreements and without this data, our methodology's intensity metric cannot account for emission reductions. As a result, our intensity metric may not fully reflect the progress being made by the public power sector in its energy transition. Given the importance of the issue, we are monitoring developments around reporting of greenhouse gases associated with power purchase agreements and plan to explore the treatment of power purchase agreements in future enhancements to our methodology.

Set sector-specific target

We establish targets to begin aligning our portfolio with the underlying benchmark and to track our progress consistent with our net-zero goal. To set a target, we choose (1) the baseline year to begin measuring against and (2) the year by which we need to reach the target.

We develop sector-specific targets to account for variables such as the potential for decarbonization opportunities, identified business growth, and projected capital stock turnover. We consider how we can support and work with our clients to transition to low-carbon activities.



Our approach to offsets in target-setting. In keeping with our view that each sector has a unique path to net zero, we recognize that offsets may be needed to address unavoidable emissions in certain sectors over specific time horizons.

Offsets, including those procured by our clients, are not included in the 2030 Oil & Gas and Power targets outlined in subsequent sections of this document. Going forward, as we set further interim targets for the Oil & Gas and Power sectors and other carbon-intensive sectors, we intend to continue analyzing a sector's decarbonization pathway to assess, in the context of that pathway, the role offsets may play to counterbalance unavoidable emissions. We expect to look to these assessments, together with NZBA expectations, to inform our decisions with respect to incorporating offsets in specific future targets in volumes and over time horizons that complement and support a sector's transformation.

With any use of offsets in future targets, we plan to detail at that time the mechanics of how they will be incorporated in line with NZBA expectations and industry practice.



Measure portfolio alignment and track progress

The final step in our framework is to measure our financial portfolio's alignment with the benchmark to track our progress. To measure alignment, we compare the aggregate client emissions attributable to our financing (i.e., the portfolio indicator)¹¹ for a sector to the sector-specific benchmark. Measuring alignment with the benchmark typically involves the following steps:

- Calculating a client's emissions intensity or absolute emissions, depending on the metric selected
- Attributing client emissions to the financing we provide by developing an attribution factor and multiplying the attribution factor by the client's emissions intensity or absolute emissions
- Summing the attributed emission measurements to produce a portfolio-level indicator

By completing these three steps, we can then compare the portfolio-level indicator (i.e., the aggregated emission measurements of our clients) to the benchmark. Note, in instances when we use an absolute emissions metric for a target, we do not compare the portfolio indicator to the benchmark itself. Rather, we assess whether the

portfolio indicator is adjusting at the same rate of change as the benchmark. We refer to this approach as the rate of change approach. Each of these steps is explained in more detail below.

Calculating a client's emissions intensity or absolute emissions

Calculating a client's emissions intensity or absolute emissions involves the design choices noted above with respect to value chain activities and emissions in scope, the metric selected (an emissions intensity metric or absolute emissions metric), and the greenhouse gases covered in the targets.

To quantify our clients' emissions, we evaluate and prioritize available data sources on a sector by sector basis. As we evaluate sector-specific emissions data, we consider the appropriateness of company-reported data disclosed through frameworks, such as CDP (formerly known as the Carbon Disclosure Project). We also consider sector-specific, asset-level data sets collated by third-party data providers, which quantify emissions from individual physical assets (e.g., power plants or oil and gas wells) within a sector, attributing the associated emissions to the parent companies that own these facilities. While the quality of voluntary emissions reporting has dramatically improved in recent years, there remains great

11. We adopted the term "portfolio indicator" from "Credit Portfolio Alignment," Katowice Banks in partnership with the 2 Degrees Investing Initiative, September 2020, <https://2degrees-investing.org/wp-content/uploads/2020/09/Katowice-Banks-2020-Credit-Portfolio-Alignment.pdf>, accessed November 9, 2021.

variability in reporting both across and within sectors. Some inventories may be audited and generally include all emission scopes (Scopes 1, 2, and 3) while others may be unverified, incomplete, or both. Moreover, approaches to measuring and attributing emissions may vary, which

can make meaningful comparisons within a sector challenging. Accordingly, our methodology does not take a “one size fits all approach” preferring company-reported data to third-party production data or vice versa. Rather, we evaluate the data sources for each sector separately.



Wells Fargo works with the University of Oxford to develop sector-specific data quality scoring.

In developing the initial targets under CO2eMission, we found that data quality varied dramatically by sector. Yet, existing data scoring methods provided universal guidance — often favoring company-reported emissions over asset-level production data — that overlooked the variations among sectors that we observed. To support the evolution of data quality assessment, we are working with the Spatial Finance Initiative at the University of Oxford to empirically evaluate data quality on a sector by sector basis with a view to providing sector-specific data scoring guidance. This project, the Sectoral Data Quality and Integrity project, intends to produce its first outputs in the second half of 2022. For more information about the project, see the following link: <https://www.smithschool.ox.ac.uk/research/sectoral-data-quality-integrity>.

Attributing client absolute emissions or emissions intensity to our financing

We attribute a client’s respective absolute emissions or emissions intensity to our financing activities by developing an attribution factor and then multiplying the attribution factor by the client’s emissions. As shown in the following figure, the attribution factor is a ratio reflecting our financing to the client in proportion to total financing.

Attribution Factor

$$\text{Attribution factor} = \frac{\text{Wells Fargo financing to client}}{\text{Total financing}}$$

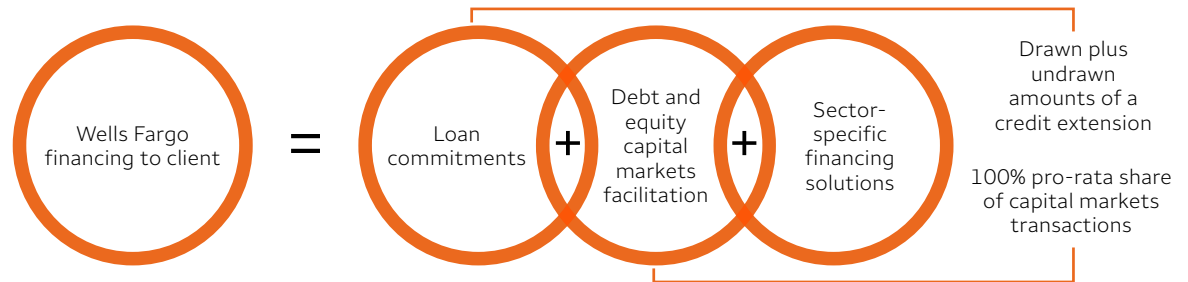
Our methodology applies two different approaches to “total financing” depending upon whether we use an intensity-based metric or an absolute emissions metric for our target. For intensity-based metrics, we weight a client’s emissions intensity in our portfolio based on our total financing to the sector. For absolute emissions, we measure the share of client emissions attributable to our financing relative to the client’s value. Each part of the attribution factor is discussed below.

Numerator for the attribution factor: Wells Fargo financing to client

The first design choice for developing an attribution factor is to decide

what financing activities are in scope. Our methodology includes our lending activities as well as the capital markets activities we help facilitate. Although the NZBA and supporting industry frameworks and tools do not currently include funding arranged in the capital markets, we include it in our methodology to capture more fully our financing activities in each sector. We also include sector-specific financing solutions, such as the tax equity financing we provide to renewable energy clients in the Power sector through our Renewable Energy & Environmental Finance (REEF) business. See Section 4.4, Climate scenario and target, for additional information about the REEF business.

Wells Fargo Financing to Client



With respect to our lending activities, our methodology includes bilateral loans and our share of syndicated loans and uses commitments — both the drawn amount and undrawn amounts of a credit extension — to calculate our financing to clients. By using commitments, we capture the full potential support we offer to clients. We also minimize potential volatility created by drawdowns of credit facilities that may influence an emissions metric attributable to the financing we provide but have little to do with a company’s emissions trajectory.

With respect to capital markets facilitation, our methodology includes 100% of origination activities that directly fund company operations (i.e., equity capital markets and debt capital markets, including high grade securities, high yield securities, and term loan transactions), but does not include advisory activities (such as mergers and acquisition advisory activity),

commodities activity, or derivatives. We also have not included assets that we hold in our investment portfolio and affiliated venture capital and private equity partnerships or that we hold in connection with secondary trading and market-making activities. When multiple financial institutions facilitate the same capital markets transaction, we attribute 100% of our pro rata share.

Capital markets facilitation activity has inherent volatility. To address the impacts of this volatility and better match the tenor of the capital to our reported activity, we amortize our capital markets facilitation activities over a five-year period using a straight-line method. Moreover, to avoid underestimating our capital markets facilitation activities in the baseline year (2019), and the following five years (until 2024), our methodology uses a “look back” to include amortized data from 2015 forward.

Denominator for the attribution factor: total financing

We apply two different approaches to calculate total financing — a portfolio-weighted approach for intensity-based targets and a balance sheet approach for absolute emissions-based targets. Under the portfolio-weighted approach, the attribution factor reflects our financing to a client relative to our total financing to all clients within the sector. This approach reflects the relative weight of our financing to a client within a sector-specific financial portfolio.

Portfolio-weighted Approach (Intensity-based targets)

$$\text{Attribution factor for emissions intensity} = \frac{\text{Wells Fargo financing to client (loan commitments + capital markets facilitation)}}{\text{Total Wells Fargo financing to sector}}$$

Under the balance sheet approach, the attribution factor reflects our financing to a client relative to the client's value. To measure client value, we use enterprise value including cash (EVIC) if the client is a publicly-traded company or the book value of debt plus equity if the client is a privately-held company.¹² This approach reflects the relative weight of our financing within a client's capital structure.

Balance Sheet Approach (Absolute emissions-based targets)

$$\text{Attribution factor for absolute emissions} = \frac{\text{Wells Fargo financing to client (loan commitments + capital markets facilitation)}}{\text{Client enterprise value + cash (public companies) or client book value of debt + equity (private companies)}}$$

We are mindful that a client's value may change based on client financing choices and market fluctuations. The volatility in a client's value could shift emissions attributable to our financing due to changes in enterprise value or book value rather than emissions performance. To limit volatility, our approach fixes client value as of December 31, 2019 (the baseline year) or the financial statement

12. Additionally, we include undrawn commitment amounts in the attribution factor denominator to better align the equation's numerator and denominator. Commitments in the numerator are composed of both funded and unfunded components, while the client value in the denominator represents on-balance sheet funding only. By adding unfunded commitments to client value, we reduce the overallocation of emissions that would arise from an unadjusted approach. Note that a complete approach would entail addition of all unfunded commitments from all lenders, but given data availability, we add only the unfunded portion of Wells Fargo's commitment. Although this method risks overallocating emissions to Wells Fargo, we concluded that this approach would best align with the principles of CO2eMission.

nearest to December 31, 2019, for all financing activities that occur on or before that date. For all financing activities that occur after December 31, 2019, our approach fixes client value at the end of the quarter that the financing activity occurred or the financial statement nearest to the end of that quarter.

After establishing the attribution factor, we multiply it by the client’s respective emissions intensity or absolute emissions (depending on the metric selected for the target) to produce a company-level performance indicator.

Aggregating company-level performance indicators into a sector-specific, portfolio-level performance indicator

Our final step is to aggregate company-level performance indicators to calculate a sector-specific, portfolio-level indicator. The following figure illustrates this calculation for both intensity metrics and an absolute emissions metric.

Portfolio Metrics

$$\begin{aligned}
 & \boxed{\text{Weighted portfolio emissions intensity}} = \sum \left(\boxed{\text{Client emissions intensity}} \times \boxed{\frac{\text{Wells Fargo financing to client (loan commitments + capital markets facilitation)}}{\text{Total Wells Fargo financing to sector}}} \right) \\
 & \boxed{\text{Portfolio absolute emissions}} = \sum \left(\boxed{\text{Client absolute emissions}} \times \boxed{\frac{\text{Wells Fargo financing to client (loan commitments + capital markets facilitation)}}{\text{Client enterprise value + cash (public companies) or client book value of debt + equity (private companies)}}} \right)
 \end{aligned}$$

The sector-specific, portfolio-level performance indicator can then be compared to the benchmark (or to the benchmark’s rate of change for an absolute emissions target) to assess our alignment.

Using the framework described above, we set targets for key emitting sectors. In the following sections, we describe these targets and the methodological choices underpinning them.

Oil & Gas

3.1 Overview

Our 2030 target for our Oil & Gas portfolio is an absolute emissions target. It covers Scope 1, 2, and 3, category 11 (use of sold products) emissions from companies engaged in exploration and production activities and Scope 1 and 2 emissions from companies engaged in petroleum refining. We believe that these emission categories cover substantially all of the emissions in the Oil & Gas value chain.¹³ We include Scope 3, category 11 (use of sold products) emissions for exploration and production activities so that

our targets cover the emissions associated with the end use of the produced hydrocarbons. Because a significant portion of extracted oil is ultimately refined into various petroleum products before its ultimate combustion, we exclude the Scope 3 end use emissions of our refiner clients to minimize double counting these same emissions.

The following two figures outline our 2030 Oil & Gas portfolio target and the key methodological design choices underpinning it. For now, offsets are not included in this target, including those procured by our clients.

2030 Oil & Gas Portfolio Target

Baseline absolute emissions	2030 Target
97.7 Mt CO ₂ e	72.3 Mt CO ₂ e
As of 12/31/2019	26% reduction in absolute emissions

13. "The future is now: How oil and gas companies can decarbonize," at pp. 3-4 (Exs. 2, 3), C. Beck, S. Rashidbeigi, O. Roelofsen, and E. Speelman (McKinsey & Company), January 2020, <https://www.mckinsey.com/industries/oil-and-gas/our-insights/the-future-is-now-how-oil-and-gas-companies-can-decarbonize>, accessed February 28, 2022.

Key Design Choices	
Activities	<ul style="list-style-type: none"> • Exploration and Production, Refining
Emission Scopes	<ul style="list-style-type: none"> • Scopes 1, 2, and 3, category 11 (use of sold products) for Exploration and Production • Scopes 1 and 2 for Refining
Metric	<ul style="list-style-type: none"> • Absolute emissions (in million metric tons)
Financing Activities	<ul style="list-style-type: none"> • Lending activities: Commitments (drawn plus undrawn amounts) • Capital markets facilitation: 100% of pro-rata share of notional using a five-year, straight-line amortization approach
Attribution Approach	<ul style="list-style-type: none"> • Balance sheet approach (measures share of client emissions attributable to Wells Fargo financing relative to the client's value)
Key External Data Sources	<ul style="list-style-type: none"> • S&P Trucost • GlobalData • S&P Capital IQ • International Energy Agency (IEA) • Intergovernmental Panel on Climate Change (IPCC) • Network for Greening the Financial System (NGFS)
Scenario	<ul style="list-style-type: none"> • NGFS Orderly Net Zero 2050 (June 2021) and internal analysis

In an effort to limit global warming to no more than 1.5°C above pre-industrial levels, the Oil & Gas sector will need to play a significant role. According to a January 2020 McKinsey & Company report, the Oil & Gas sector, directly or indirectly, accounts for 42% of global emissions, with 9% of these emissions attributable to

industry operations (Scope 1 and 2 emissions) and 33% of emissions attributable to use of the fuels the industry produces (Scope 3 emissions).¹⁴ Additionally, natural gas and petroleum systems are the second largest source of methane emissions in the U.S.¹⁵

14. "The future is now: How oil and gas companies can decarbonize," at p.2 (Ex. 3), C. Beck, S. Rashidbeigi, O. Roelofsen, and E. Speelman (McKinsey & Company), January 2020, <https://www.mckinsey.com/industries/oil-and-gas/our-insights/the-future-is-now-how-oil-and-gas-companies-can-decarbonize>, accessed February 17, 2022.

15. "Overview of Greenhouse Gases," Environmental Protection Agency, <https://www.epa.gov/ghgemissions/overview-greenhouse-gases>, accessed November 23, 2021.

To manage its greenhouse gas emissions, the Oil & Gas industry has available a range of potential actions including decreasing operational emissions by consuming low-carbon energy during the extraction process; eliminating routine flaring; and reducing methane emissions from venting (i.e., the direct release of gas into the atmosphere) and addressing methane leakage during oil and gas extraction and transportation.¹⁶

In addition, Oil & Gas companies seeking to transition to net zero may neutralize residual gross emissions through technologies such as CCUS and/or diversify into new businesses such as low-carbon energy production and sales.¹⁷

3.2 Activities and emissions in scope

To set our Oil & Gas portfolio target, we analyzed the upstream, midstream, and downstream segments of the Oil & Gas sector value chain as shown in the following figure.¹⁸ The upstream segment includes exploration and production activities such as drilling and completing wells and extracting oil and gas deposits, the midstream segment includes transporting oil and gas and storing it, and the downstream segment includes refining crude oil and natural gas into end use products such as gasoline, diesel, and jet fuel that are then sent to energy providers, gas stations, or other distributors and retail outlets.

Oil & Gas Sector Value Chain



16. "Net Zero Standard for Oil and Gas," at pp.12-16, Institutional Investors Group on Climate Change (IIGCC), September 2021, <https://www.iigcc.org/download/iigcc-net-zero-standard-for-oil-and-gas/?wpdmdl=4866&refresh=6140cea4a40a01631637156>, accessed November 23, 2021.

17. Ibid.

18. The Oil & Gas sector value chain reference is from "PACTA for Banks Methodology Document," version 1.1.0, at p.23, Paris Agreement Capital Transition Assessment and 2Investing Initiative, September 18, 2020, <https://www.transitionmonitor.com/wp-content/uploads/2020/09/PACTA-for-Banks-Methodology-Documents.pdf>, accessed January 13, 2021.

To capture the bulk of the sector's emissions, our methodology currently focuses on the upstream and downstream segments. We identify clients within these segments by mapping sector-specific NAICS codes to each segment. (For a list of NAICS codes in scope, see Section 7, Appendix - NAICS codes in scope.) The following figure illustrates the activities and emissions within these components of the value chain that our target covers.

Activities and Emissions in Scope

Emissions Estimates of Oil & Gas Sector Value Chain ¹			
	Upstream ✓	Midstream	Downstream ✓
	Exploration & Production	Transportation & Storage	Refining
Scopes 1&2	13% of emissions of which 24% are CO ₂ and 76% are non-CO ₂ ✓	1% of emissions of which 100% are CO ₂ ²	7% of emissions of which 70% are CO ₂ and 30% are non-CO ₂ ✓
Scope 3, category 11 (use of sold products)	79% of emissions ✓	Avoid double counting Scope 3 emissions from upstream and integrated companies ³	

1. The emissions estimates in the figure above are from the following source: "The future is now: How oil and gas companies can decarbonize," C. Beck, S. Rashidbeigi, O. Roelofsens, and E. Speelman (McKinsey & Company) (January 2020).

2. Fugitive emissions from midstream (e.g., methane) are included in the Scope 1 and Scope 2 upstream emissions to be consistent with the International Energy Agency (IEA) World Energy Outlook 2018 classification.

3. Scope 3 emissions for midstream and downstream are already included in the Scope 3 emissions for upstream.

As reflected in the preceding figure, our methodology attributes all Scope 1, Scope 2, and Scope 3, category 11 (use of sold products) emissions to clients involved in upstream activities, including integrated oil and gas companies. These emissions include emissions from the heavy machines and pumps

used for drilling wells and extracting oil and gas deposits, emissions from purchased electricity, and most importantly, the emissions from the combustion of the extracted oil and gas, which constitute approximately 79% of the value chain emissions. Our methodology also attributes Scope 1 and Scope 2 emissions

to clients involved in downstream refining activities. These emissions include clients' direct emissions from refining facilities and indirect emissions related to purchased electricity. Our methodology does not attribute Scope 3, category 11 emissions to downstream clients to avoid double counting, given the inclusion of these emissions for clients involved in upstream activities.

By focusing on the upstream and downstream activities and capturing the Scope 1, 2, and 3 emissions as noted above, based on industry estimates we believe our methodology currently covers substantially all of the value chain emissions. Though our methodology currently does not capture emissions associated with the midstream segment (transportation and storage activities), these emissions comprise a very small percentage of the value chain emissions and require significant effort to estimate in an accurate and consistent manner in the current disclosure environment.

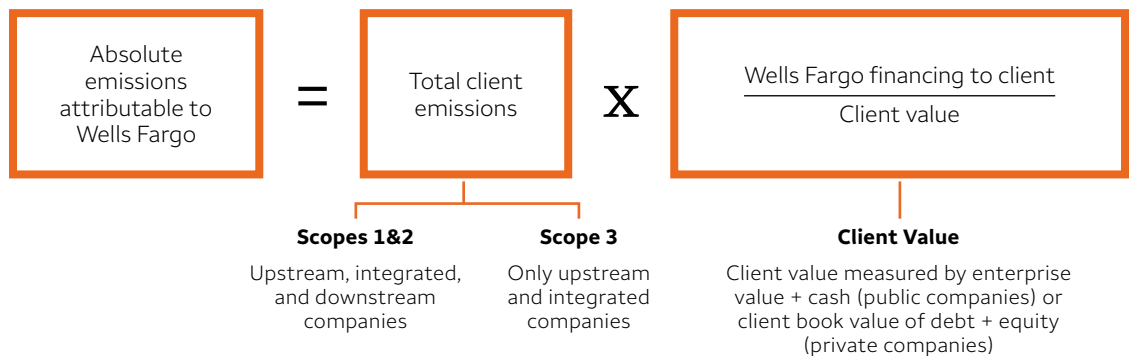
3.3 Metrics and data

We use an absolute emissions metric in the Oil & Gas sector and apply a balance-sheet attribution approach. An absolute metric is well suited not only to measure reductions in operational emissions (Scopes 1 and 2), but also to capture reductions in Scope 3, category 11 (use of sold products) emissions resulting from clients transitioning into new businesses.

We recognize the long time horizon and challenges inherent in the Oil & Gas industry's energy transition, where, as net-zero scenarios indicate, the world is expected to continue to rely on oil and gas for a meaningful proportion of its energy for years to come. We are committed to supporting our clients throughout the process as we work toward our net-zero ambition.

The following figure illustrates our calculation approach for Scopes 1, 2, and 3, category 11 (use of sold products).

Calculation Approach: Absolute Emissions



We use Oil & Gas production data and apply corresponding emission factors to calculate Scope 3 company emissions for upstream and integrated companies. We then multiply these emissions by the attribution factor (Wells Fargo financing divided by client value) to calculate client emissions attributable to our financing activities. For Scopes 1 and 2, we source company emissions data from S&P Trucost for upstream, integrated, and downstream companies and then multiply by the attribution factor. If Scope 1 and 2 emissions data is unavailable, we impute emissions using production data and the relevant emission factors.

We recognize the limitations of imputing emissions and other approaches to remediate data, as companies' actual performance may not be accurately reflected by such approaches. Wells Fargo will continue to work with data providers and other companies to improve its data coverage and quality over time. We plan to reassess our estimation approaches in the future as standards evolve and data availability improves.

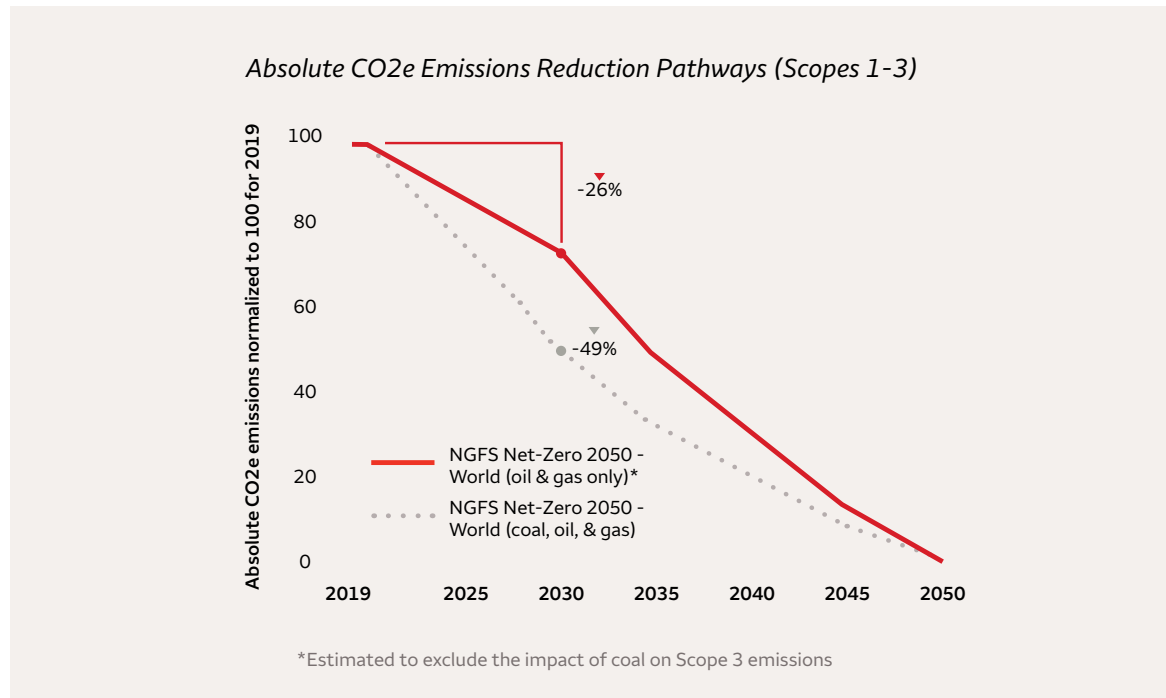
3.4 Climate scenario and target

We elected to align our 2030 target with the NGFS Net-Zero scenario. Through economy-wide climate policies and innovation, the NGFS Net-Zero scenario outlines an ambitious pathway to reduce emissions and limit the global average temperature rise in this century to no more than 1.5°C above pre-industrial levels.

Wells Fargo chose this scenario because of its general rigor and alignment with the Paris Agreement. The NGFS Net-Zero scenario assumes a rapid and near complete phase out of coal, which shrinks 86% by 2030, and a continued dependency on oil and gas as key energy sources through 2030, driven by a modest growth in energy consumption. The scenario also assumes an increase in non-biomass renewable sources of energy, such as wind and solar, from 5% in 2020 to 19% in 2030.

Including coal, oil, and gas, the NGFS Net-Zero scenario implies a 49% rate of change in absolute CO₂e

emissions (composed of CO₂ and methane) between 2019 and 2030. Given that our portfolio currently does not include significant financing of coal mining,¹⁹ we removed its effect on the NGFS pathway by excluding coal's relative contribution to emissions to calculate an oil- and gas-only pathway.²⁰ The resulting adjusted NGFS Net-Zero scenario implies a 26% rate of change in absolute CO₂e emissions between 2019²¹ and 2030. The following figure shows the absolute emissions pathways including and excluding the impact of coal on Scope 3 emissions.



Based on the 26% rate of change discussed above, we set a target of 72.3 Mt CO₂e for 2030 from a 2019 baseline of 97.7 Mt CO₂e. We have made progress since 2019 against this target and plan to report this progress as well as progress against our Power portfolio target in subsequent disclosures. While we have attempted to address the volatility embedded in the underlying components of the attribution factor for this target, changes to these components, alongside other changes such as data availability and scenario development, may impact our progress against the target and result in its recalibration prior to 2030.

19. Although other financial institutions may seek to meet their energy targets by de-emphasizing coal, we have already limited our exposure to coal mining.

20. We estimated relative contributions of Scope 3 emissions from coal, oil, and gas using emissions derived from annual end-use consumption and IPCC non-energy adjusted emissions factors for each fuel type.

21. The NGFS Net-Zero scenario only provides emissions data in five-year increments. We therefore used 2015 and 2020 emissions data to interpolate a 2019 baseline on a straight-line basis from which we calculated the rate of change for our target.

Power

4.1 Overview

Our 2030 target for our Power portfolio is an emissions intensity target that covers Scope 1 emissions from power-generating activities. For now, offsets are excluded from this target, including those procured by our clients. The following two figures outline our 2030 Power portfolio target and the key methodological design choices underpinning it.

2030 Power Portfolio Target

Baseline emissions intensity	2030 Target
253 kg CO ₂ e/MWh	102 kg CO ₂ e/MWh
As of 12/31/2019	60% reduction from 2019 baseline

Key Design Choices	
Activities	<ul style="list-style-type: none"> • Power generation
Emission Scopes	<ul style="list-style-type: none"> • Scope 1
Metric	<ul style="list-style-type: none"> • Emissions intensity (kg CO₂e/MWh)
Financing Activities	<ul style="list-style-type: none"> • Lending activities: Commitments (drawn plus undrawn amounts) • Capital markets facilitation: 100% of pro-rata share of notional using a five-year, straight-line amortization approach • Renewable energy financing
Attribution Approach	<ul style="list-style-type: none"> • Portfolio-weighted approach (measures Wells Fargo financing to the client relative to the total Wells Fargo financing to the sector)
Key External Data Sources	<ul style="list-style-type: none"> • GlobalData • Intergovernmental Panel on Climate Change (IPCC) • Network for Greening the Financial System (NGFS)
Scenario	<ul style="list-style-type: none"> • NGFS Orderly Net Zero 2050 (June 2021)

Producing clean electricity requires transitioning from power plants that generate electricity by burning fossil fuels to plants that generate electricity from renewable sources.

Decarbonizing the Power sector is an important component in effectively addressing climate change and globally reaching net-zero emissions by 2050. Although electricity itself is a clean form of energy, the generation of electricity produces greenhouse gas emissions that contribute to climate change. In the U.S. in 2019, electricity generation was the second largest source of greenhouse gas emissions largely due to burning fossil fuels (mostly coal and natural gas).²² Moreover, climate scenarios, including NGFS scenarios, make plain that electrification of the economy is paramount to reaching net zero by 2050. If electricity can be produced without emitting greenhouse gases into the atmosphere, it can then be a viable solution to meet growing power demand and help transition other

industries such as transportation and manufacturing.

Producing clean electricity requires transitioning from power plants that generate electricity by burning fossil fuels to plants that generate electricity from renewable sources (i.e., solar, wind, hydro, and geothermal sources), or from nuclear energy. This transition will be difficult. Fossil fuels historically have accounted for the majority of all electricity generated worldwide, ahead of renewables and nuclear energy.²³ Additionally, fossil fuels are widely available, relatively inexpensive, capable of being stored, and readily transported. Governments have taken numerous steps to keep fossil fuel prices low and to incentivize their production. The shift from fossil fuels to renewable or nuclear energy sources to generate electricity depends in part on public policies to incentivize this transition.

Producing clean electricity also depends upon innovative technologies to capture CO₂ emissions such as CCUS, which involves capturing CO₂ generated from burning fossil fuels before they enter the atmosphere

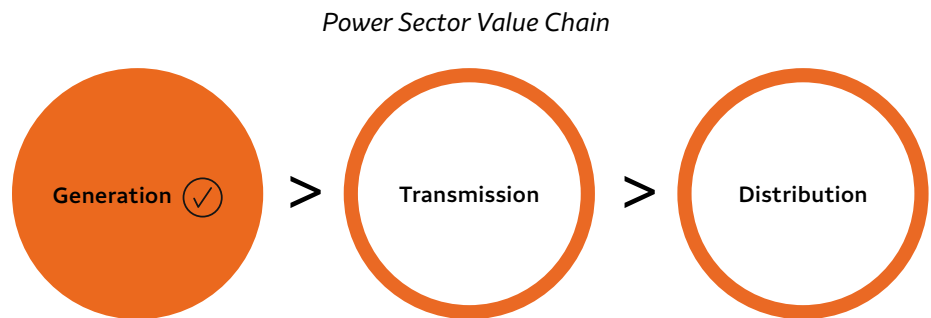
22. "Sources of Greenhouse Gas Emissions," U.S. Environmental Protection Agency, <https://www.epa.gov/ghgemissions/sources-greenhouse-gas-emissions>, accessed November 9, 2021.

23. See bp Statistical Review of World Energy 2021, 70th edition, <https://www.bp.com/content/dam/bp/business-sites/en/global/corporate/pdfs/energy-economics/statistical-review/bp-stats-review-2021-full-report.pdf>, accessed February 11, 2022.

and storing these emissions. CO2 capture technologies can be applied to electric-power generation facilities (as well as other large industrial sources of emissions).²⁴ Implementing and operating CCUS technologies, however, require sizeable investments, and climate scenarios assume they will not be available at scale before 2030.²⁵

4.2 Activities and emissions in scope

In developing our Power target, we considered the following three segments within the Power sector value chain to determine where we could make the most climate impact: generation, transmission, and distribution.²⁶



Our methodology currently focuses on power generation, the segment of the value chain responsible for substantially all sector emissions. To define this segment within our financial portfolio, we relied upon NAICS codes related to power-generating activities. We also analyzed the NAICS codes related to transmission and distribution to evaluate counterparties that might engage in generation activities in addition to transmission

and distribution activities. (For a list of NAICS codes in scope, see Section 7, Appendix - NAICS codes in scope.)

Our methodology attributes to clients engaged in power generation activities all Scope 1 emissions, which include emissions resulting from the combustion of fossil fuels (oil, gas, and coal) to produce electricity. These Scope 1 emissions cover

substantially all emissions in the Power sector value chain. Our methodology currently does not include Scope 2 and Scope 3 emissions. Scope 2 emissions are de minimis relative to Scope 1. Scope 3 emissions — largely attributable to electricity generation procured from other sources — require additional data and their inclusion may be a future enhancement to our methodology.

24. "Carbon Capture and Storage," Intergovernmental Panel on Climate Change Special Report, 2005, https://www.ipcc.ch/site/assets/uploads/2018/03/srccs_wholereport-1.pdf, accessed November 10, 2021.

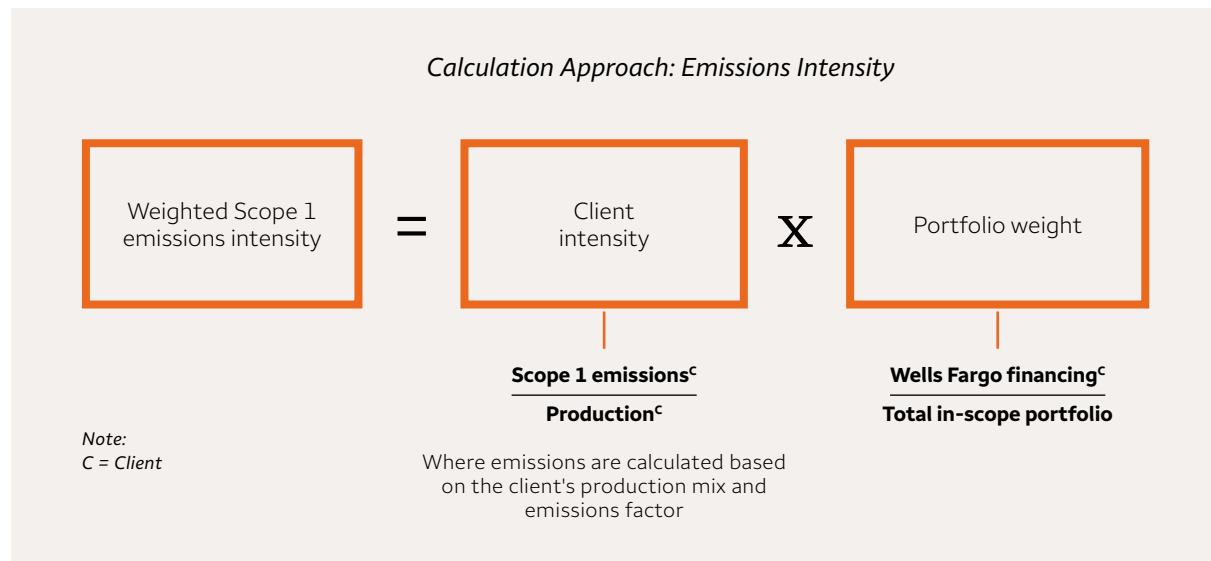
25. Notably, net-zero climate scenarios, such as the NGFS Net-Zero scenario and the International Energy Agency Net Zero Emissions by 2050 scenario, rely heavily upon CCUS technologies after 2030.

26. The Power sector value chain reference is from "PACTA for Banks Methodology Document," version 1.1.0, at p.23, Paris Agreement Capital Transition Assessment and Investing Initiative, September 18, 2020, <https://www.transitionmonitor.com/wp-content/uploads/2020/09/PACTA-for-Banks-Methodology-Document.pdf>, accessed January 13, 2022.

4.3 Metrics and data

We use a portfolio-weighted, carbon emissions intensity-based approach to measure Power sector performance. An emissions intensity metric allows us to track a company's decarbonization relative to electricity generation over time. Given the availability of zero-emission generation technologies, such as wind, solar, and nuclear, an intensity metric captures the pace of adoption of these solutions as the sector transitions. An intensity-based metric also provides for consistent tracking and comparability between companies.

The following figure illustrates our calculation approach for portfolio-weighted Scope 1 emissions intensity.



We use a client's electricity generation, by technology type, and apply the appropriate IPCC emission factor to calculate the Scope 1 emissions and emissions intensity of our Power generation portfolio. We also reviewed public disclosures and other sources

of information, such as the Transition Pathway Initiative²⁷, to assess the emissions for select clients. We plan to reassess our estimation approaches in the future as data availability improves.

27. The Transition Pathway Initiative is a global research initiative led by asset owners that aims to enable investors to assess company performance and progress towards the low-carbon economy against internationally agreed benchmarks. See <https://www.transitionpathwayinitiative.org/>.

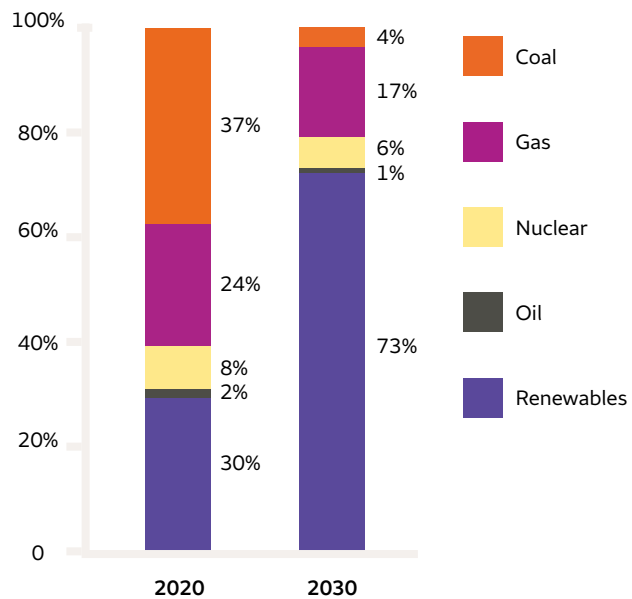
4.4 Climate scenario and target

As noted above, decarbonizing the Power sector is an important component in effectively transitioning to a net-zero carbon economy. It requires simultaneous scaling of low- and zero-emissions power resources, such as solar, wind, or nuclear, paired with decommissioning and deployment of carbon capture for new and existing fossil fuel-based generation. To best capture this future trajectory, we selected the NGFS Net-Zero scenario to derive the benchmark to measure portfolio alignment and inform our Power generation portfolio.

We chose this scenario based on its relatively rapid decarbonization pathway for the Power sector. Moreover, the selection of this scenario is consistent with that which is used in our Oil & Gas target (see Section 3.4, Climate scenario and target) and achieves an initial degree of uniformity and consistency across the first iteration of our methodology.

The NGFS Net-Zero scenario assumes electricity from renewable sources increases five-fold by 2050, with a near-complete phasing out of coal-fired plants by 2030, as illustrated by the evolution of fuel mix in the following figure.

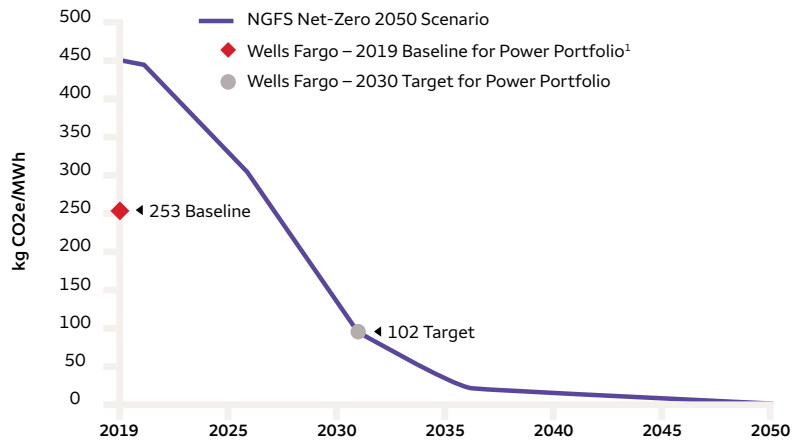
NGFS Net-Zero Scenario Fuel Mix



Wells Fargo contributes to the transition of the Power sector through our renewable energy finance businesses, which currently represent a meaningful portion of our Power generation portfolio. (See insert **Financing renewable energy projects** for information with respect to our Renewable Energy & Environmental

Finance (REEF) business.) Given our demonstrated commitment to finance low-carbon alternatives in the Power sector, we believe we are well positioned to meet our 2030 portfolio target. This target, based on the NGFS Net-Zero scenario, is illustrated in the following figure.

Scope 1 Intensity: 2019 Baseline, Scenario, and Wells Fargo 2030 Target



1. Power sector baseline calculated using 2020 power generation data as a proxy for 2019 data due to data availability.

Financing renewable energy projects. Renewable Energy & Environmental Finance (REEF) is a Wells Fargo business that helps our clients finance renewable energy generation and storage projects (such as wind, solar, and fuel cells) primarily through a form of financing known as tax equity.

From 2005 through 2021, Wells Fargo invested over \$13.2 billion in clean energy projects across the country, making us a leading provider in the tax equity market.

Next steps

We set a climate goal — to become a net-zero organization by 2050 — and developed a methodology to help us define our starting point and measure our progress towards that goal. Moving forward, we plan to update and refine our methodology as data improves, climate scenarios change, and experience is gained. As additional data becomes available and greenhouse gas reporting standards evolve, we intend to modify and enhance our methodology. This may result in changes to our reported baseline and targets.

As a member of the NZBA, we plan to follow its guidelines for setting additional targets for other key emitting sectors. We also plan to follow its guidelines for future actions with respect to our targets

for the Oil & Gas and Power sectors, such as the following:

- *Publishing high-level transition plans providing an overview of the categories of actions we expect to take to meet our 2030 targets and an approximate timeline*
- *Setting additional, interim five-year targets as the initial 2030 targets and other future target years approach*
- *Reporting annually on progress against our 2030 and future targets*
- *Reviewing and, if needed, revising targets at least every five years to promote consistency with the latest climate science*
- *Recalculating and revising targets as needed to reflect significant changes that might compromise the relevance and consistency of the existing targets*

Abbreviations

Abbreviation	Definition
CCUS	carbon capture, utilization and storage
CO ₂	carbon dioxide
CO ₂ e	carbon dioxide equivalent
EVIC	enterprise value including cash
IEA	International Energy Agency
IPCC	Intergovernmental Panel on Climate Change
kg	kilogram
Mt	million metric tons
MWh	megawatt-hour
NAICS	North American Industry Classification System
NGFS	Network for Greening the Financial System
NGFS Net-Zero scenario	Network for Greening the Financial System Orderly Net Zero 2050
NZBA	Net-Zero Banking Alliance
PACTA	Paris Agreement Capital Transition Assessment
REEF	Renewable Energy & Environmental Finance
Wells Fargo	"Wells Fargo," "the Company," "we," "our," or "us" means Wells Fargo & Company and Subsidiaries (consolidated)

Appendix - NAICS codes in scope

Oil & Gas Sector - NAICS Codes in Scope	Descriptor
211120	Crude Petroleum Extraction
211130	Natural Gas Extraction
324110	Petroleum Refineries
Power Sector - NAICS Codes in Scope	Descriptor
221111	Hydroelectric Power Generation
221112	Fossil Fuel Electric Power Generation
221113	Nuclear Electric Power Generation
221114	Solar Electric Power Generation
221115	Wind Electric Power Generation
221116	Geothermal Electric Power Generation
221117	Biomass Electric Power Generation
221118	Other Electric Power Generation
221121*	Electric Bulk Power Transmission & Control
221122*	Electric Power Distribution
926130*	Regulation and Administration of Communications, Electric, Gas, and Utilities

*We analyzed these NAICS codes to evaluate clients that may be engaged in power generation activities.

Disclaimer

This document contains forward-looking statements about Wells Fargo & Company's (the Company) future plans, financing, objectives, targets, and climate-related strategies, including expectations, assumptions, and projections regarding implementation. Forward-looking statements are not based on historical facts but instead represent our current expectations and assumptions regarding our business, the economy, and other future conditions. Investors are urged to not unduly rely on forward-looking statements as actual results could differ materially from expectations. Forward-looking statements speak only as of the date made, and we do not undertake to update them, or any other information contained in this document, to reflect changes or events that occur after that date. For more information about factors that could cause actual results to differ materially from expectations, refer to the "Forward-Looking Statements" discussion in Wells Fargo's press releases announcing our quarterly results and in our most recent Quarterly Report on Form 10-Q, as well as to Wells Fargo's other reports filed with the Securities and Exchange Commission, including the discussion under "Risk Factors" in our most recent Annual Report on Form 10-K as filed with the Securities and

Exchange Commission and available on its website at www.sec.gov.

Because forward-looking statements are based on the Company's current expectations and assumptions regarding the future, they are subject to inherent risks and uncertainties, many of which are outside the Company's control.

In addition, climate-related disclosures as a whole and related expectations, assumptions, target-setting, and projections regarding the implementation and effectiveness of the Company's approach, are based on scenarios, assumptions, third-party data, and other material that we take at face value and may be outside the control of the Company. The Company does not independently verify third-party data or material. While information contained herein is gathered from sources believed to be reliable, the Company makes no representations or warranties as to the quality, completeness, accuracy, fitness for a particular purpose, or non-infringement of such information. In no event shall the Company be liable for any use by any party of, for any decision made or action taken by any party in reliance upon, or for any inaccuracies or errors in, or omissions from, the information contained herein.

With respect to estimating client emissions, we note that our emissions calculations are often the product of multiple inputs, including third-party compiled production data and third-party developed emissions factors, all of which may include uncertainties and assumptions that we take at face value. Uncertainties and inaccuracies in any of these elements potentially have compounding effects on the accuracy of resulting emissions figures.

While the Company set sector-specific targets to enable it to track the alignment of its financing activities to its net-zero goal, these targets, even if met, do not guarantee reductions of absolute greenhouse gas emissions in the real economy. The companies that emit the greenhouse gases ultimately control that outcome. Relatedly, given the indirect nature of financial institution target setting and the challenges of drawing causality between bank financing and real economy emission outcomes,²⁸ these targets should be interpreted as efforts in financial portfolio alignment and should not be construed as a commitment to achieve a particular outcome or a claim to realize a specific climate effect.

In following the Greenhouse Gas Protocol, our methodology segments greenhouse gases into “Scopes” that, when aggregated across sectors or even within different value chains of a single sector, significantly overstate overall portfolio emissions due to the inherent overlap of emissions across intra- and inter-sector scopes. While CO2eMission makes limited attempts to reduce and minimize the impact of overstatement within a given sector, no attempt is currently made to do so across sectors and it is important to analyze our sectoral disclosures independent of each other.

The information provided in this document speaks only to the Company’s approach to CO2eMission as of the date published and is subject to change without notice. The Company reserves the right to update this framework at any time in its sole discretion. This document is not intended to, nor can it be relied on, to create legal relations, rights, or obligations.

This document is intended to provide non-exhaustive, general information. Content herein may contain or incorporate by reference public information not separately reviewed,

28. See for example the work of the Evidence for Impact research collaborative’s efforts to typologize and empirically track the impact financial institution climate measures have on the real economy. “Climate Impact Management System for Financial Institutions,” S. Ralite, K. Hagedorn, and T. Ghirardi, <https://2degrees-investing.org/wp-content/uploads/2021/10/Climate-Impact-Mgmt-System-final.pdf>, accessed November 9, 2021.

approved, or endorsed by the Company and accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by Wells Fargo as to the fairness, accuracy, reasonableness or completeness of such information.

CO2eMission is based on significant assumptions, including assumptions about actions of the public and private sectors and the state of the financial markets and the economy. While the Company would expect to take actions described in this document, some or all of these assumptions may prove to be incorrect, and the actions the Company takes in the future may

differ. The strategies described in this document are not binding. Accordingly, the scenarios and assumptions herein reflect events and circumstances that may not arise, and the impact of these events may be very different if they do arise in circumstances other than those contemplated in this document.

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Task Force for Climate-Related Financial Disclosures

TCFD Report
2020

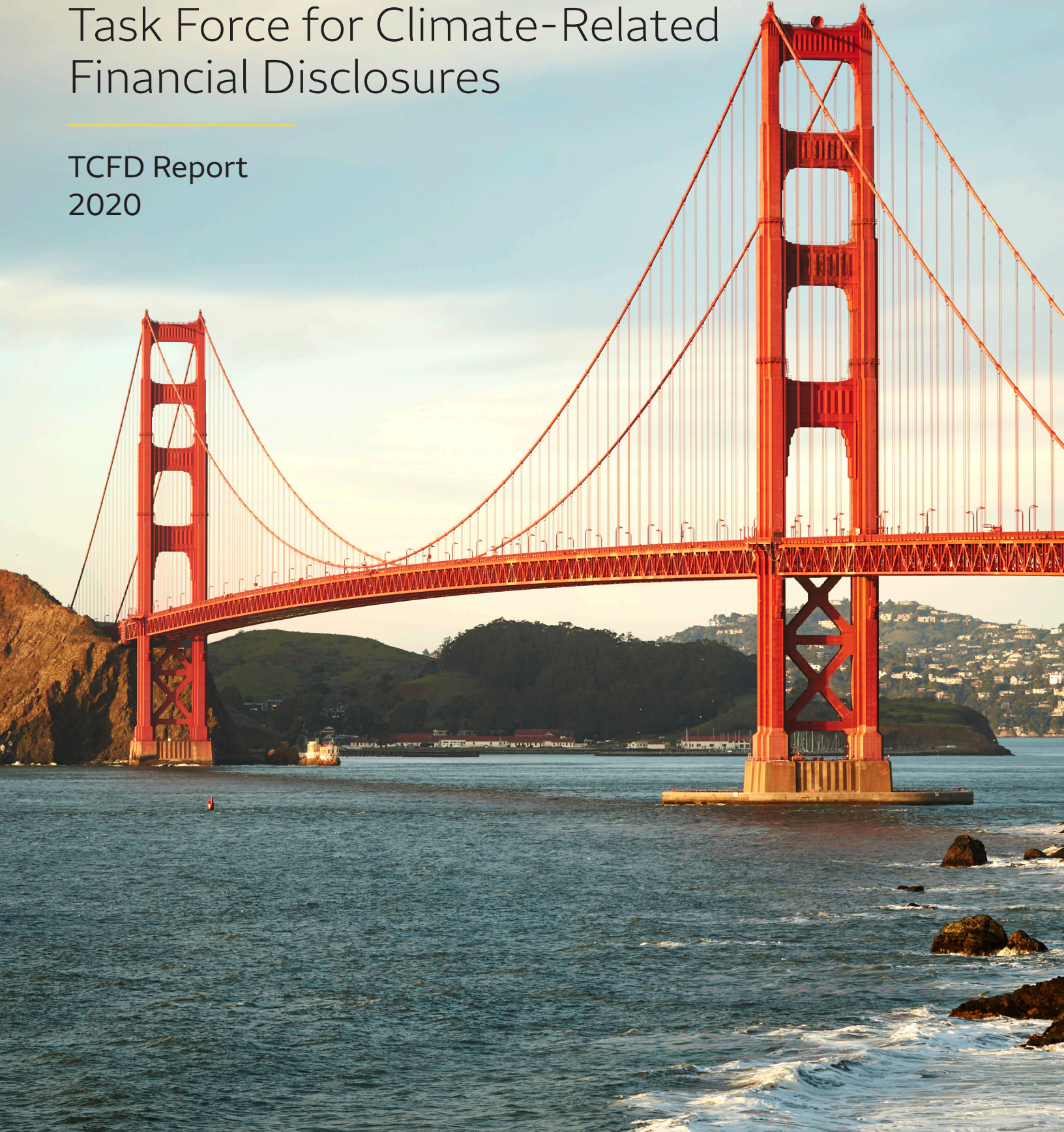


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Message from the CEO



At Wells Fargo, we recognize that climate change is one of the most urgent environmental and social issues of our time. We are committed to real solutions that align with our responsibilities to our stakeholders and to the environment. I am very pleased to take the next step in our sustainability journey with this release of our inaugural Task Force for Climate-related Financial Disclosures (TCFD) report. This report outlines Wells Fargo's strategic approach to managing the risks associated with climate change and deploying capital to accelerate a just transition to a low-carbon economy.

Climate change is projected to impact nearly every aspect of the economy and society, including agriculture, infrastructure, public health, human migration, national security, and more. These impacts pose a series of potentially interconnected risks to the financial system from employment and productivity to credit and insurance. While we cannot foresee exactly how these impacts may interact with each other over time, as we are seeing with the current COVID-19 pandemic, vulnerabilities and inequalities across society are likely to be amplified as climate change continues to manifest.

We believe that collective action is needed to transition to a low-carbon economy and minimize the impact on our most vulnerable communities. As this report indicates, we have endorsed the TCFD recommendations because we believe they will help us better manage the risks and opportunities associated with climate change, and contribute to sector-wide progress on financing a low-carbon future. Our goal is to support our customers as they also work to transform their businesses for success in a low-carbon economy, and support our communities as they work to adapt to and mitigate the impacts of climate change.

We are working across our organization to manage the impacts of climate change on our business, communities, employees, and customers. As a company, we are:

- Deploying capital to support a responsible transition to a low-carbon economy, including our \$200 billion sustainable finance commitment by 2030 and our newly announced Environmental, Social, and Governance (ESG) Solutions Group within Corporate and Investment Banking (CIB) dedicated to delivering clients the full suite of thought leadership and products Wells Fargo offers in the sustainable lending, securities, and investing universe.
- Evaluating climate-related risks at the transaction, sector, and portfolio levels with an environmental and social risk management focus.
- Managing our operational resilience and efficiency and achieving carbon neutrality for our 2019 operations through the purchase of carbon offsets.
- Addressing stakeholder expectations for more robust disclosure and reporting, including undertaking efforts to help calculate the carbon footprint of our financial portfolios.
- Collaborating with leading organizations to advance sustainability, drive innovation, and make a positive impact on the environment and in our communities.

While we have made great progress in renewable energy, clean technology, and energy efficiency, it is imperative that we collaborate across the private sector, governments, regulators, and civil society to advance public policies, sustainable finance and investing initiatives, and technology innovation to develop and deliver comprehensive climate change solutions.

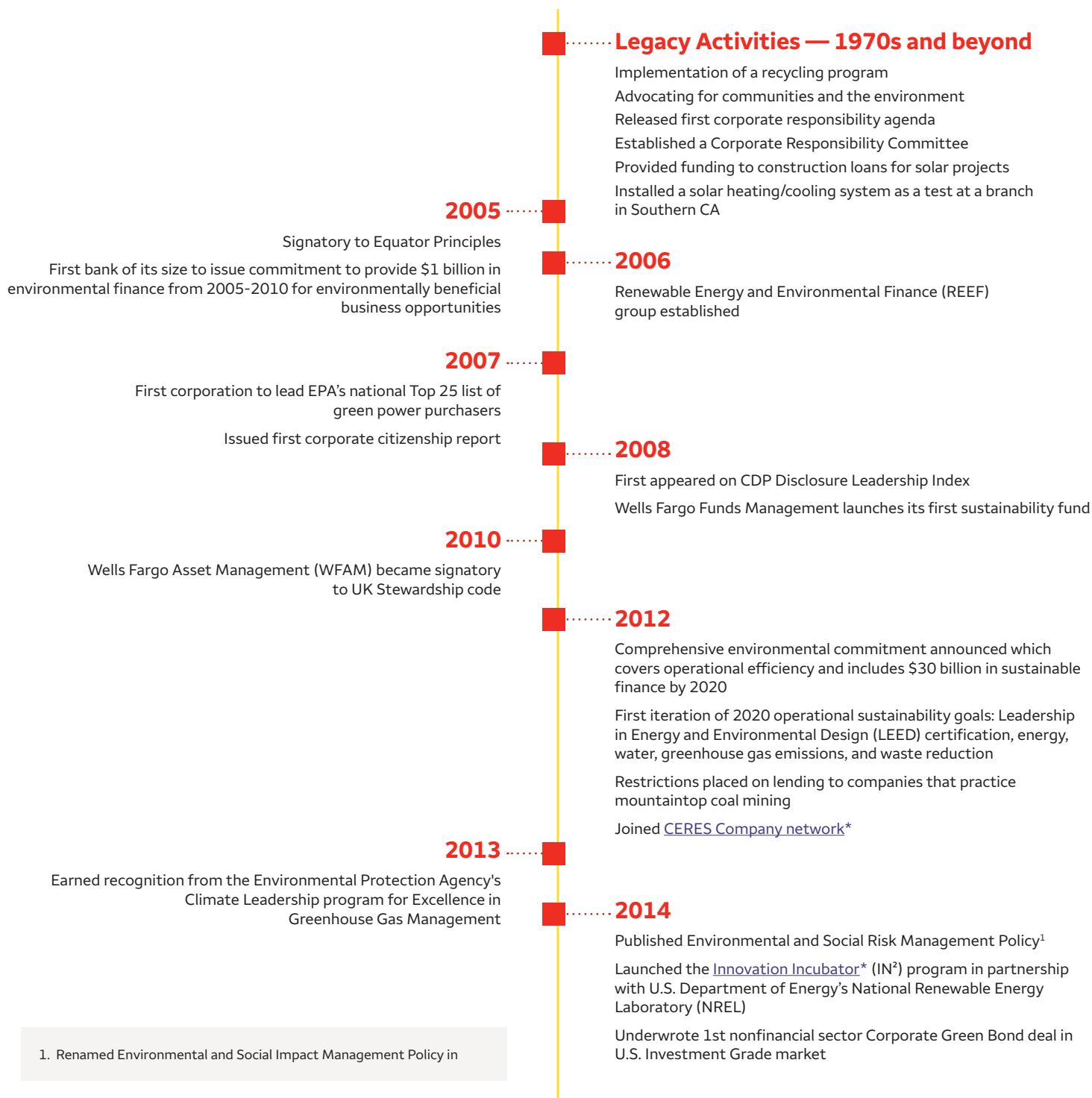
A handwritten signature in black ink that reads "Charles W. Scharf". The signature is fluid and cursive, with the first name "Charles" and last name "Scharf" clearly legible.

Charles W. Scharf

CEO, Wells Fargo & Company

A legacy of climate action

Wells Fargo has a long history of considering and seeking to address the implications of climate change in our operations, products, and collaborations. Our efforts generate and maintain long-term strategic value and are aligned with our commitment to transparency and focus on the needs of all of our stakeholders, including customers, employees, regulators, suppliers, communities, and shareholders.



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2015

WFAM signed UN Principles for Responsible Investment

2016

Renewed [2020 operational sustainability goals](#) and added a goal to meet 100% of our global electricity consumption with renewable energy sources²

Joined RE100

Wells Fargo Private Bank's Social Impact Investing team added a sustainable investing strategy to its other offerings which excludes exposure to fossil fuels and includes assessment of all holdings for exposure to carbon emissions

2017

Met 100% of our electricity consumption with renewable energy sources³

Corporate properties exceeded 30 million sq. ft. of LEED®-certified space

Joined Equator Principles Steering Committee

WFAM signed Japan's Stewardship Code

2018

Announced \$200 billion sustainable finance commitment through 2030

Provided \$5 million in seed funding to create [Tribal Solar Accelerator Fund](#) (with nonprofit GRID Alternatives) to support solar projects in tribal communities

Joined CDP supply chain program

Became Investor Network member at CERES

Together with peer banks, Wells Fargo collaborated with Oliver Wyman to pilot climate scenario analysis

Conducted physical climate risk analysis on more than a dozen Wells Fargo facilities

2019

Achieved carbon neutrality across our operations through the purchase of carbon offsets

Executed first Power Purchase Agreement with NRG Energy for 25MW to serve Wells Fargo energy needs in Texas

Determined we would not finance Equator Principles in-scope transactions in the Alaska Arctic region

Endorsed Task Force on Climate-related Financial Disclosures (TCFD)

Established Enterprise Climate Change Working Group

WFAM joined Climate Action 100+ global initiative

Participated in first sustainability-linked loan syndication in the U.S.

2020

Prohibited financing of coal-fired power generation projects

Made a \$600,000 grant to support the work of [Capital for Climate](#),* a climate finance investment platform for large-scale investors seeking to lead the transition to net zero carbon emissions (1.5°C outcome) by 2050

Worked with peers and the Rocky Mountain Institute to launch the Center for Climate-Aligned Finance

Won S&P Global Platts energy award

2. Renewable energy sources include on-site solar, long-term contracts that support net new sources of off-site renewable energy, and the purchase of renewable energy certificates.

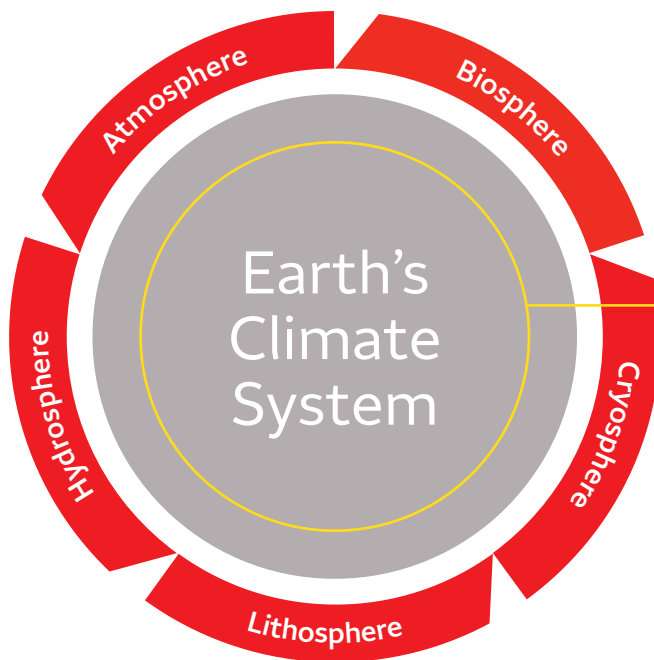
3. Renewable energy sources include on-site solar, long-term contracts that support net new sources of off-site renewable energy, and the purchase of renewable energy certificates.

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Climate fundamentals

Earth depends on balances in its natural systems to create and to sustain vibrant conditions for its inhabitants. The climate system is fundamental to every aspect of life on earth. At the core of the climate system is the carbon cycle, which transforms carbon flows, regulates how greenhouse gases (GHGs) absorb radiant energy from the sun, and ultimately warms the planet. The greenhouse effect is a natural process, however its natural balance has been altered by humans since the onset of industrialization. Scientists can now measure an anthropogenic greenhouse effect, which is an outsized accumulation of legacy and new GHG emissions related to energy and land use, industrialized production and consumption, and waste treatment, among other activities. Earth's energy budget and carbon cycle continue to destabilize our atmosphere, water, ice, vegetation, lands, and oceans. The impacts of climate change are unpredictable, inequitable, and highly dependent upon when, where, and how humans intervene.

Wells Fargo supports the principles of the Paris Agreement, including holding the increase in global average temperature to well below 2° Celsius above preindustrial levels and pursuing efforts to limit the temperature increase to 1.5° Celsius above preindustrial levels, recognizing that this would significantly reduce the risks and impacts of climate change. Averting tipping points that are projected to occur above two degrees significantly decreases the risks and impacts of anthropogenic climate change on public health and safety, biodiversity, ecosystem services, and economic activity. Understanding the climate system through the lens of our own value chain helps inform our approach to the sources and impacts of climate change. Without a portfolio of solutions focused on mitigation, adaptation, and resilience, we risk further instability within the climate system, and the potential acceleration of hazards and disruptions.



Carbon cycle

A natural process by which the Earth maintains checks and balances in the stocks and flows of carbon throughout the climate system's various components.

Carbon sources

Any process that emits carbon dioxide (CO₂) into the atmosphere — from plant and animal decay, to deforestation, to the burning of fossil fuels.

Carbon sinks

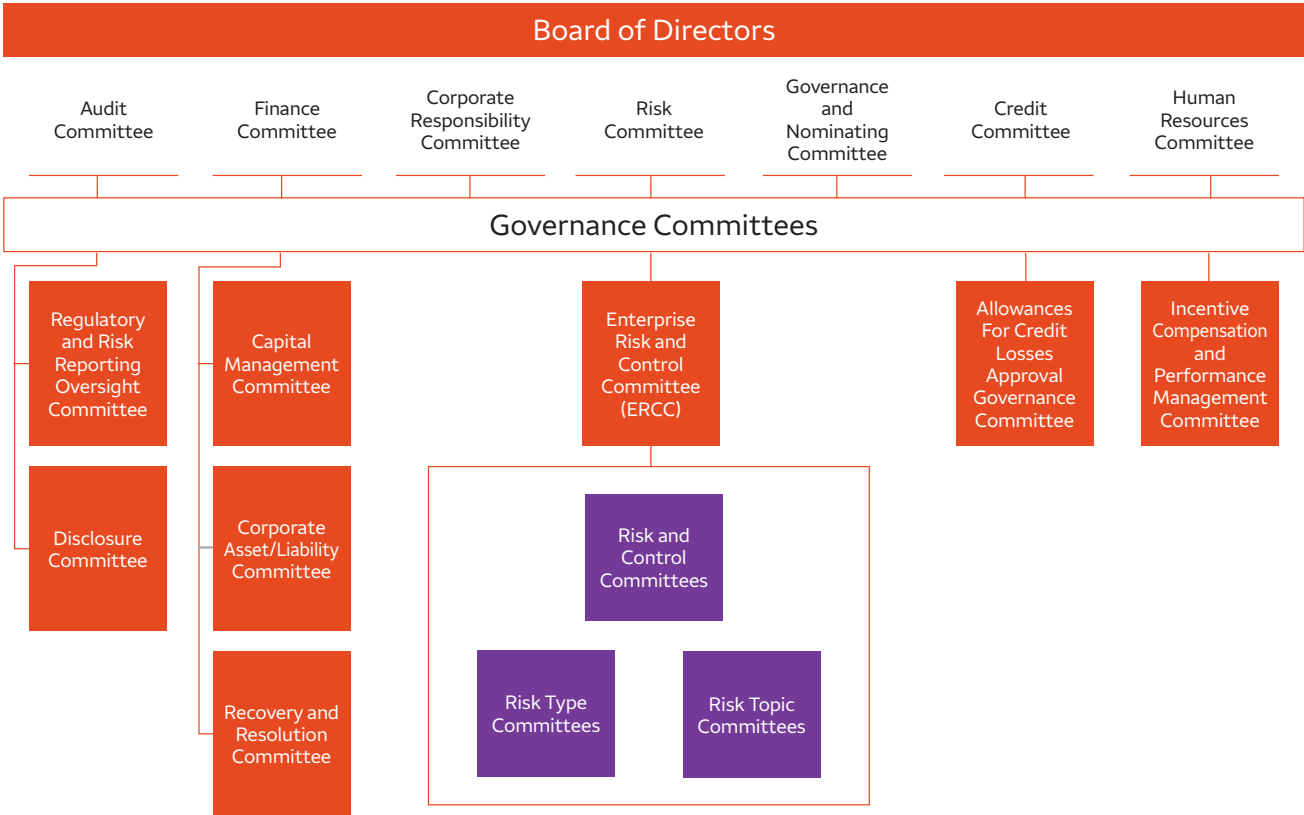
Reservoirs that trap some of the CO₂ emitted into the atmosphere. For example, forests and other forms of land vegetation absorb CO₂ for photosynthesis. Oceans have absorbed almost a third of all human-induced emissions since the onset of the Industrial Revolution.

Governance

Wells Fargo maintains a governance structure to oversee our systematic approach to climate-related risks and opportunities. Wells Fargo leadership provides accountability, resources, and participation in our Climate Change Working Group (CCWG). Our centralized approach relies on knowledge sharing and decision-making across all levels of the organization, including operating segments, lines of business, and enterprise functions and Independent

Risk Management (IRM). Enterprise initiatives operate with the common objective of integrating climate and ESG factors into how we plan and conduct our business. Enterprise-wide integration of climate and ESG factors requires assessing short-, medium-, and long-term time horizons for value chain activities against stakeholder expectations, economic viability, and the level of ambition for our own sustainability goals.

Board committee and governance committee structure*



* Committee structure as of December 31, 2020. Chart does not reflect all management level committees. Governance bodies are supported by various line of business and functional councils and working groups, including the ESG Disclosure Council, Climate Change Working Group, Climate Impact Risk Forum, Clean Energy Vertical, Wells Fargo Asset Management Climate Change Working Group, etc.

Board oversight

Wells Fargo's [Board of Directors](#) (Board) has adopted [Corporate Governance Guidelines](#) that provide the framework for the governance of the Board and the Company. The [Corporate Responsibility Committee](#) (CRC), a standing committee of the Board, is responsible for oversight of our strategies and programs on public interest and social responsibility matters of significance to the company, including sustainability and environmental matters. The CRC meets regularly to discuss updates from management on policy development and implementation, materiality and impact assessments, and initiative reporting as part of its oversight of and our management of critical sustainability issues, including climate. The CRC also oversees public policy issues of significance to the company and our relationships with external stakeholders.

The Board's [Risk Committee](#) annually reviews and approves the company's Risk Management Framework and oversees its implementation, including the processes established by management to identify, assess, measure, monitor, and manage the company's risks. The Risk Committee takes a holistic view of all risks, including credit, market, interest rate, and liquidity risks, as well as nonfinancial risks such as operational risk, which includes compliance and model risks, and strategic and reputational risks. The Risk Committee receives reports from management that help it monitor how effectively the company is managing risk.

Management oversight

The company's senior management includes our Chief Executive Officer and members of our Operating Committee, which includes, among other executives, the CEOs of each of our businesses, Chief Risk Officer, Chief Operating Officer, General Counsel, Chief Financial Officer, Chief Auditor, and Vice Chair of Public Affairs. Senior management is responsible

for the business and management of the Company, including managing operations and implementing the Company's strategic plan.

The Enterprise Risk and Control Committee (ERCC) is a management-level governance committee that governs the management of all financial and nonfinancial risk types, including those associated with climate change. The ERCC receives information about risk and control events, addresses escalated risks and issues, actively oversees risk control, and provides regular updates to the Board Risk Committee regarding current and emerging risks and management's assessment of the effectiveness of the company's risk management program. Each line of business and enterprise function has a risk

Independent Risk Management (IRM) Climate Impact Risk Forum

In late 2020, we established an enterprise Climate Impact Risk Forum, led by IRM,⁴ to oversee the company's approach to managing climate-related risks and associated risk management practices in alignment with our Risk Management Framework. The Forum is a cross-functional group that includes senior leaders from IRM, Social Impact and Sustainability, the Chief Operating Office, the Legal Department and Corporate Treasury. A designated climate change leader in IRM helps coordinate climate-related risk integration efforts across IRM. For more information see pages 25 through 26.

and control committee, which are management governance committees with mandates that align with the ERCC but with their scope limited to the relevant line of business or enterprise functions. The focus of these committees is on the risks that each line of business or enterprise function

4. IRM is accountable for defining requirements and independently overseeing the identification, measurement, assessment, monitoring, aggregation, and reporting of risks.



generates and is responsible for managing, and the controls each line of business or enterprise function is expected to have in place. Oversight includes reviewing business activities with elevated levels of risk related to climate change considerations or other environmental matters. In addition to each risk and control committee, management governance committees dedicated to specific risk types and risk topics also report to the ERCC to help provide comprehensive governance of risks.

In 2018, we formed an internal ESG Disclosure Council comprised of senior leaders from the Controller's Division, the Legal Department, Finance, Corporate Risk, and Public Affairs. This Council helps us deliver on our commitment to transparency by providing senior-level accountability for ESG reporting and disclosures, as well as by considering ways to continue to enhance our ESG-related disclosures.

The company's Head of Sustainability and Corporate Responsibility is the primary member of management in the front line with accountability for enterprise initiatives related to climate and ESG, including providing direction to the Climate Change Working Group. Specialized sustainability teams within the Sustainability and Corporate Responsibility organization engage across businesses and functions

in the front line, and with IRM, to evaluate and promote new, business-relevant climate and ESG-aligned capabilities.

Climate Change Working Group (CCWG)

This enterprise-level working group plays a critical role in providing input in the operationalization of initiatives designed to enhance our governance, strategy, and risk management efforts with respect to climate change, including calculating metrics for target setting. The CCWG strategically brings together a blend of senior management and specialized experts from across the Company to help us better understand the impacts of climate change relative to our business. Based on that understanding, the CCWG engages with representatives from the front line and IRM through strategic discussions and capacity-building sessions. Examples of initiatives in which the CCWG is engaged to provide insights include financed emissions accounting, transition scenario analysis, and specialized trainings on climate change competency for select employees.

Additional front-line business activities

Front-line working groups

In some instances, our lines of business may operate their own working groups to focus on relevant client segments, sectors, or geographies with respect to climate-related risks or opportunities. Members of front-line working groups routinely engage with trade associations, nongovernmental organizations, data service providers, nonprofits, and our peers to learn how asset owners, financial intermediaries, and individual companies are managing their climate change response.

- **Clean Energy Vertical.** This group, consisting of representatives from Corporate & Investment Banking (CIB), Commercial Banking (CB), and the Renewable Energy and Environmental Finance (REEF) teams, routinely engages with the CCWG on topics including financed emissions accounting and strategic discussions about science-based target setting for particular sectors such as electric power generation, transmission, and distribution. In addition, they work with our clients to support the development of clean energy generation and technology deployment.
- **Wells Fargo Asset Management (WFAM) Climate Change Working Group.** As a signatory to the [UN Principles for Responsible Investment](#),* WFAM has designed climate analyses to support its investment teams across asset classes and sectors. WFAM has established a Climate Change Working Group specific to its institutional investment management business. This working group researches climate-related risk and opportunity by sector, and then uses this knowledge in various aspects of the investment or product design process.

This group is cross-functional, keeps current on the latest climate developments, and:

- Conducts independent research.
- Builds analytical frameworks to evaluate the impact of climate-related risks' impact on fundamentals and security value.
- Develops processes to consider climate scenarios together with forward-looking options, for integration into traditional financial analysis for investment purposes.

Members of front-line working groups routinely engage with trade associations, nongovernmental organizations, data service providers, nonprofits, and our peers to learn how asset owners, financial intermediaries, and individual companies are executing their climate change response.

Green Teams

Wells Fargo Green Teams are formal networks of environmentally conscious employees who engage in sustainability- and conservation-related projects at work and in their communities around the world. They are sponsored by certain senior leaders with accountability for sustainability performance and policy. Green Team members help improve our operational efficiency, conserve resources, and reduce environmental impacts, while engaging coworkers and raising awareness of sustainable opportunities at work and in the community. Green Teams support climate mitigation by educating colleagues on topics such as reducing and reusing materials in the office and alternative commuter opportunities. For example, certain Green Teams have established groups of bike enthusiasts to replace drive-alone commuting.

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Strategy

“As a leading financial services company, Wells Fargo has an opportunity to play a strategic role in the transition to a low-carbon economy and reducing the impacts of climate change. We seek to understand the near- and long-term climate-related risks and opportunities which can help us to build resiliency in our business and the communities in which we operate, and properly support our clients in their own climate and ESG efforts.”

– Bill Daley, Vice Chairman of Public Affairs, Wells Fargo & Company

The effects of climate change are likely to impact nearly every aspect of the economy. That’s why we pursue an integrated climate strategy that matches our understanding of the evolving financial system with the dynamic lens of the climate system. We monitor market trends, policy proposals, stakeholder dynamics, disclosure and transparency expectations, technological advancements, and more to inform our strategy. As outlined in the Paris Agreement, the long-term nature of climate change requires that we make strategic decisions to mitigate, adapt to, and maintain resilience against the adverse impacts of climate change over a range of time horizons.

We’re leveraging our expertise and market position as we collaborate with our stakeholders on a number of efforts to collectively transition to a low-carbon, climate-resilient future, including through our efforts related to the following:

- Sustainable finance
- Clean technology and innovation
- Climate-related risk and opportunity dimensions
- Operational resilience
- Transparency and disclosure
- Stewardship and social impact

Sustainable finance

Deploying capital to accelerate and scale the next generation of financial products and services requires that we integrate climate, environmental, and social factors into our lending, securities, and investing products and services. Our financial products and services reside across our four operating segments — Consumer Banking and Lending, Commercial Banking, Corporate & Investment Banking, and Wealth & Investment Management — which are defined by type of product and customer segment.

The effects of climate change are likely to impact nearly every aspect of the economy. That’s why we pursue an integrated climate strategy that matches our understanding of the evolving financial system with the dynamic lens of the climate system.

Wells Fargo has an opportunity to play a central role in providing sustainable finance capital and information to the marketplace to support a just transition to a low-carbon economy.

We acknowledge that trillions of dollars of sustainable capital flows will be required to adequately avoid, sequester, and redirect GHG emissions. Beyond that, we acknowledge that the impacts of climate change will require unprecedented investment in adaptation and resilience efforts to support the thoughtful and gradual transformation of legacy infrastructure and business models. Our approach is designed to combine new opportunities and focus areas with existing approaches by using science and financial innovation to deliver the level of ambition of the Paris Agreement across commercial, industrial, and consumer applications.

In 2018, we announced a commitment to lend or invest \$200 billion to environmentally sustainable businesses and projects by 2030, with 50% of that amount earmarked for activities that directly support the transition to a low-carbon economy, including renewables, energy efficiency technologies, green buildings, green bonds, and low-emission vehicles. The remainder will support companies and projects focused on sustainable agriculture, conservation, recycling, resource management, and other environmentally beneficial initiatives. Our [sustainable finance reporting methodology](#) provides significant detail on how Wells Fargo defines sustainable finance and how we account for progress against our commitment. In the first two years of our sustainable finance commitment, we deployed approximately \$49 billion in sustainable finance — 67% of which supported low-carbon opportunities.

In 2020, we established the Sustainable Finance Center of Excellence (SF – CoE) within our Social Impact & Sustainability function, to promote a greater focus on sustainable finance with our lines of business, leading NGO organizations, and others. This group works across the enterprise to support customer engagement on sustainable finance opportunities with subject matter expertise, competitive intelligence, and analytics. The SF – CoE

will help with driving innovation around resilient infrastructure and communities, scaling clean technology, advancing transition finance in carbon intensive sectors, and catalyzing climate-aligned financing.

In 2020, we also established the CIB ESG Solutions group to provide clients with expertise and perspectives on sustainable finance topics and better access to a suite of products that can support them in their ESG efforts. CIB ESG Solutions is client-centric and drives innovation and best practices across CIB industry coverage teams. The group collaborates with product and risk partners to deliver debt capital markets, underwriting of green, social, and sustainability bonds, equity capital markets, lending, structured products, and mergers and acquisition advisory services for clients focused on investing in their energy transition, improving their environmental sustainability, and/or advancing their social impact.

Clean technology and innovation

Wells Fargo finances companies and projects that help propel the U.S. toward a low-carbon economy. We contribute to the advancement of renewable energy and clean technologies, serving a wide variety of companies in these rapidly growing sectors. We work with businesses around the world that manufacture, market, and develop clean technologies that enable sustainability and resource efficiency.

Wells Fargo clean technology and renewable energy products include:

- *Tax-equity investments and lease financing.* The Renewable Energy & Environmental Finance (REEF) team's approach to project finance is relationship based. We work with leading, high



quality, trusted developers, and collaborate with them on multiple projects. Between January 1, 2006 and December 31, 2019, Wells Fargo tax equity projects represented 10.3% of all U.S. solar and wind generation capacity.⁵

- **Corporate and investment banking (CIB) products and services.** CIB offers debt and equity capital markets, advisory services, treasury management, term loans, revolvers, project financing (construction/term), and derivative products to renewable energy and clean technology companies.
- **Asset-based lending.** Wells Fargo Capital Finance provides asset-based, revolving lines of credit, and term loans in support of high-growth emerging

businesses in the renewable energy and other clean technology sectors looking to expand into the U.S.

Our clients include businesses that specialize in:

- Energy generation, including solar, wind, and biomass
- Energy storage
- Energy efficiency
- Water technologies
- Agricultural technologies
- Electric and low-emission vehicles
- Smart grid applications

5. This data is tracked by Wells Fargo's Renewable Energy and Environmental Finance (REEF) team and is compared to data published by the Solar Energy Industries Association and the American Wind Energy Association.



In addition to unlocking capital, we believe we have an important role to play in advancing sustainable finance innovation and opportunities. We are expanding our engagement with research and nonprofit organizations at the forefront of climate finance. For example, the [Wells Fargo Innovation Incubator \(IN²\)](#)* — a \$50 million collaboration with the National Renewable Energy Laboratory — is designed to build a strong and influential brand in clean technology and sustainable agriculture. This collaboration focuses on engagement with universities and other incubator programs to accelerate the commercialization of clean technologies and sustainable agriculture. The IN² program has directly supported 46 early stage startups that, as of fall 2020, have raised more than \$400 million in follow-on funding. Further, Wells Fargo Foundation philanthropic funds that support IN² have also supported hundreds of additional startups through our network of 60+ incubators and accelerators across the country.

Climate-related risks and opportunities

Given the physical impacts and transition aspects that will manifest as a result of climate change, climate-related risk and opportunity management are core elements of our climate change strategy.




Understanding these dimensions supports our strategic planning efforts to mitigate the effects of inaction, late action, or poor execution of adaptive and protective measures to respond to climate change.

In line with the TCFD guidance, we categorize climate-related risks and opportunities into transition and physical dimensions. Understanding these dimensions supports our strategic planning efforts to mitigate the effects of inaction, late action, or poor execution of adaptive and protective measures to respond to climate change. See the [“Risk Management”](#) section of this report for further detail about our approach to climate-related risk management.

Transition dimensions are variables that influence, result from, or are amplified by the transition to a low-carbon or net-zero future economy. We categorize them into three TCFD-aligned types — policy and legal, market and reputation, and technology. Transition dimensions offer insights into the costs and benefits of climate mitigation and adaptation that can be modeled against 1.5° and 2° Celsius reference scenarios. We are exploring science-based targets to understand the economic viability and feasibility of large scale transitions defined by policy, market, and technological dimensions.

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Transition dimensions of climate change

Dimension type	Impact and dependency channels	Focus areas
Policy and Legal 	Policy-based shifts: Demand- and supply-side changes as measured through policy intervention factors that impact or depend upon policymakers, regulators, and lawmakers	<ul style="list-style-type: none"> Climate, energy, and industrial policies (e.g., carbon compliance markets, emissions, and efficiency regulations) Climate-related disclosures and regulatory expectations Climate-related litigation and legal mandates for management of assets and liabilities
Market and Reputation 	Market-based shifts: Demand- and supply-side changes as measured through structural and behavioral factors that impact or depend upon consumers, intermediaries, and producers	<ul style="list-style-type: none"> ESG performance mandates for lending, investing, and securities Green market potential (e.g., green, climate- and ESG-aligned products and services) Screening and engagement strategies by investors Voluntary carbon offsets, carbon transparency, and Circular Economy trends
Technology 	Technology-based shift: Demand- and supply-side changes as measured through operational factors that impact or depend upon consumers, intermediaries, and producers	<ul style="list-style-type: none"> Blockchain/remote sensor applications for value chain due diligence and product innovation Clean technology, renewable energy, industrial hydrogen and CCS (carbon capture and storage) Weatherization/disaster resilience

Physical dimensions are variables that result from, and are amplified by, the physics of climate change. We categorize them into two types — acute (sudden) and chronic (gradual). Physical dimensions can be monitored through catastrophe modeling, geospatial mapping, climatology and meteorology, and natural resource management. Physical dimensions offer insights into the costs and benefits of climate

adaptation and resilience through a focus on fixed assets or infrastructure management. We seek to establish and monitor metrics and targets for these uncertainties with respect to how the human-built environment adapts to extreme weather events, prolonged resource scarcities, and longer-term climate hazards such as sea level rise.

Physical dimensions of climate change

Dimension type	Impact and dependency channels	Financial focus areas	Nonfinancial focus areas
Acute 	<ul style="list-style-type: none"> Air and water quality Extreme winds/temperatures Tropical cyclones Wildfires Zoonotic diseases 	<ul style="list-style-type: none"> Assets and liability revaluation Direct/indirect emissions costs Opex/capex for mitigation, adaptation, and resilience 	<ul style="list-style-type: none"> Early retirement of useful assets Forced retrofitting due to resilience and adaptation needs Human health and physical safety
Chronic 	<ul style="list-style-type: none"> Air and water quality Extreme hydrology and climate variability Land use (forestry, agriculture practices) Monsoons Natural resource stress Rising mean/volatile temperatures Rising sea levels 	<ul style="list-style-type: none"> Revenue disruption Retained losses from non-insurability 	<ul style="list-style-type: none"> Operational efficiency and disruptions Resource scarcity

Climate finance applications




Climate-related dimensions guide the development of our climate finance capabilities. Below, we define the fields of climate finance and overlay them with climate dimension types to provide real-world examples of how we believe financing will need to evolve with markets, policies, technology, and greater understanding of the acute and chronic hazards associated with climate change. We know transition finance needs to include a focus on the following elements:

- **Climate change mitigation.** Reducing climate change by limiting sources of GHG emissions. A net impact can be achieved by shifting primary sources of energy to renewables such as wind, hydro, solar, biomass, or geothermal, or by innovating new ways to enhance carbon sinks.



Mitigation may also include nature based solutions such as installing or restoring green infrastructure, carbon capture and storage, and negative emission technologies (NETs).

- **Climate change adaptation.** Adapting behaviors and structures to focus on solutions to the impacts and dependencies of climate change, and protecting ourselves from its most harmful and inevitable effects. This includes shifting production, consumption, and intermediate processes to support balance to the carbon cycle and natural resource management.
- **Climate change resilience.** Developing ways to enable human-built structures to withstand both acute and chronic hazards, including extreme weather events and prolonged resource scarcities.

Examples of transition dimensions in climate finance

Dimension type	Climate change mitigation: Prevent or neutralize GHG emissions	Climate change adaptation: Change behaviors or structures due to climate factors
Policy 	Support development of more robust carbon markets (e.g., emissions trading, carbon tax coverage)	Companies and sectors set GHG emission reduction targets (e.g., net zero commitments)
Market 	Increase in consumer or investor demand for low-carbon products and services such as renewable energy and storage	Increase in supply of reused consumer goods such as upcycled plastics
Technology 	Support innovation in commercial building technologies that capture carbon	Support development of remote sensors for monitoring, reporting, and verification (MRV) of emissions

Examples of physical dimensions in climate finance

Dimension type	Climate change adaptation: Improve built environment defenses	Climate change resilience: Withstand built environment shocks
Acute 	Green infrastructure deployment such as using bioswales to conduct stormwater runoff while removing pollution	Climate-resilient construction materials and innovative cooling/heating techniques to decarbonize dwellings and weatherize against extreme temperature variability
Chronic 	Resource efficiency programs that sustain renewability of natural resources such as regenerative soils	Large-scale investment in flooding defense systems against sea level rise

Operational resilience

As an enterprise, we understand that we must focus on the energy and resource efficiency of our physical assets such as land, buildings, vehicles, and equipment to mitigate climate change, and adapt to and withstand shocks from transition and physical impacts.

We continuously work to improve efficiencies in our operations that help us minimize our environmental impact, reduce costs, enhance our employee experience, and set a positive example for the business community. Wells Fargo's [2020 operational sustainability commitments](#) were aimed at increasing the operational efficiency of our assets.⁶

The progress we have made against our 2020 renewable energy goal is particularly noteworthy. In 2017, we achieved our goal of meeting 100% of Wells Fargo's global electricity needs with renewable energy,⁷ primarily through the purchase of certified renewable energy certificates (RECs). These purchases were an important first step in our renewable energy strategy. The second step

has been to leverage our purchasing strength to encourage development of new sources of green power. We do this through long-term agreements that support the addition of net new renewable energy capacity to the grid.

In addition to meeting 100% of our global electricity requirements with renewable sources, Wells Fargo achieved carbon neutrality for our 2019 operations (Scopes 1 and 2 GHG emissions). This milestone is a significant step in support of the collective transition to a low-carbon economy.

To assess the resiliency of our physical assets, we commissioned a third party to help us identify the physical risks of climate change to a number of our most critical properties, including data centers, operations centers, and facilities with high concentrations of employees, including those overseas. The results of this study help us further integrate a climate lens into our practices, including considerations such as where we locate new corporate properties and how we approach their construction, operations, maintenance, and decommissioning.

6. 2020 year-end data not available as of the publishing of this report.

7. Renewable energy sources include on-site solar, long-term contracts that support net new sources of offsite renewable energy, and the purchase of renewable energy certificates.

Transparency and disclosure

Through our transparency and disclosure efforts, we share and explore the climate-related risks and opportunities across our enterprise. The value TCFD provides is a consistent framework through which to align our climate disclosures related to risk management, governance, strategy, and metrics and targets. Using one of the TCFD's recommended metrics — total carbon emissions — we have begun the process of understanding data availability and prevailing methodologies and their limitations to estimate Scope 1, 2, and 3 upstream emissions associated with a selection of our financing portfolios. This will enable us to better evaluate where and how to engage certain clients in conversations about transition pathways.

Wells Fargo's financed emissions concentrations

Wells Fargo calculates and discloses our direct Scope 1 and indirect Scope 2, or operational emissions, as well as several relevant categories of Scope 3 emissions (see [Metrics and Targets section](#)). We recognize that the direct and indirect emissions of our customers — referred to as financed emissions — represent a far larger source of emissions than those from our own operations. Financed emissions fall within our Scope 3, downstream Category 15 emissions per the [GHG Protocol](#).⁸ Unlike a single client who has a narrower range within which to assess their value chain using the GHG Protocol, we, like our peers, must consider thousands of clients across millions of data points representing sources of carbon, nitrogen, methane, and other GHG emissions. The availability and quality of data necessary to be able to report and estimate these emissions is a common challenge for diversified financial institutions. We continue to explore various ways in which we could reduce GHG emissions associated with our activities, including our financing activities.

The table on page 19 is one possible representation of our Scope 3, financed emissions as of

Partnership for Carbon Accounting Financials (PCAF)

Stakeholders have been seeking information about how we are identifying, assessing, and managing our Scope 3, Category 15 financed emissions. In 2018, we began the complex work of measuring financed emissions associated with our credit portfolios, including evaluating PCAF and other accounting methodologies for Scope 3, Category 15 financed emissions. With this TCFD report, we make our first disclosure which we consider to be generally consistent, with the spirit of [PCAF's](#)^{*} mission. We wrote about our experience of conducting due diligence on one part of the PCAF methodology⁸ in the pilot version launch of the [Financial Sector Science-based Targets Guidance](#)^{*} by the Science-based Targets initiative (SBTi), another organization whose tools we are actively assessing.

While we recognize utility in PCAF's mission to create a single standard for financial institutions to calculate, report, and disclose financed emissions, we are continuing our work to mature our own internal carbon accounting program, including through our ongoing evaluation of methodologies such as PCAF and SBTi, and focused on evaluating data that is informative and integral to serve our efforts to address climate related risks and opportunities. We intend to continue to collaborate with our clients and industry partners to improve data quality and access for the broader financial sector.

December 31, 2019, based on estimates of GHG emissions by North American Industry Classification System (NAICS) sector, which do not reflect either historical improvements or anticipated reductions in emissions based on future planned investments. With only a fraction of our clients reporting their GHG emissions, we expect that this model will change over time as the quantity and quality of emissions data improve. Specific to the utility sector, current emission levels are heavily driven by the 20% of domestic electricity that still comes from coal power generation. That level is down from 50% in 2000 as the sector has invested heavily in natural gas and renewable (solar and wind) generation capacity, which in turn has driven a decrease in U.S. GHG emissions

8. Case Study: Wells Fargo - Testing PCAF Methodology, p. 42

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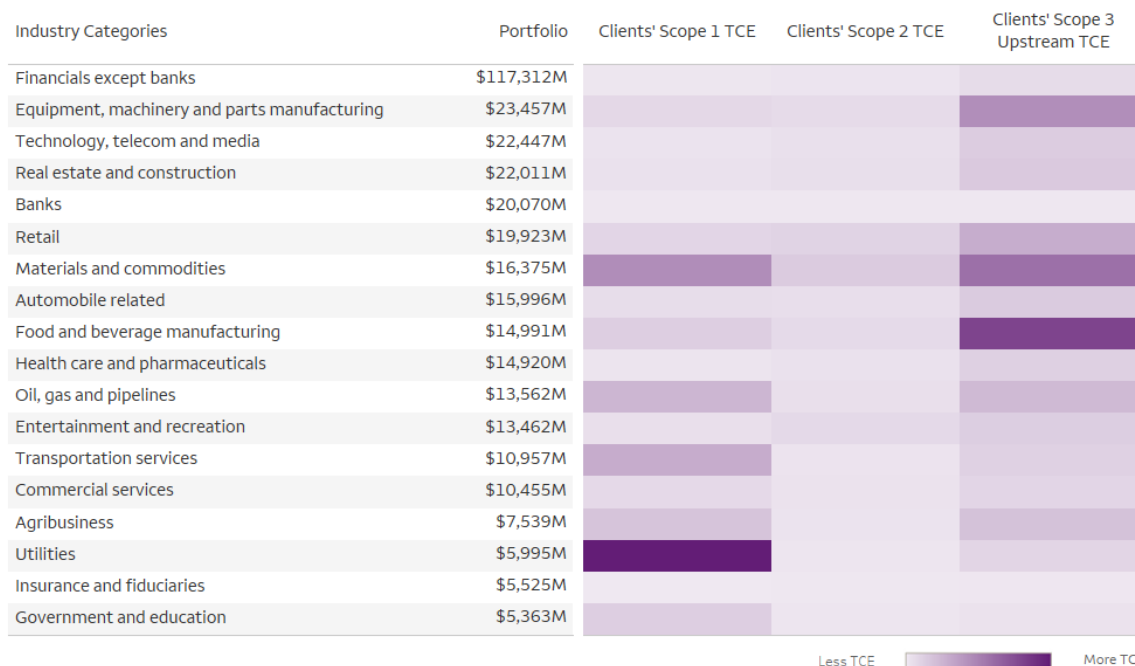
over the last two decades. Going forward, we expect domestic coal-fired generation to be phased out completely, largely replaced with renewables as utilities invest hundreds of billions of dollars in capital to transition their operating assets. In conjunction with that shift, we anticipate the emissions profile of the sector to decrease substantially. Wells Fargo is playing a leadership role in facilitating that transition for our clients.

We share this model output as a means to demonstrate our efforts to test the data, make estimates, and iterate our process to better understand our financed emissions through the amount of financing we provide to clients in various industries. This model output represents a snapshot

in time and is not meant to serve as a final or even preliminary prioritization of the sectors to which we will provide financing going forward as part of our climate strategy. In time, we plan to narrow the data and explore our emissions at more granular levels that are aligned to our strategy in order to make progress with measuring and managing financed emissions. Ultimately, we aim to cultivate repeatable, consistent metrics for financed emissions that inform the complex undertaking of setting a science-based GHG reduction target. Our early view of financed emissions concentrations allows us to consider carbon and financial performance in the same view, which provides level and trend analysis required for reducing GHG emissions.

Wells Fargo financed emissions concentrations (as of 12/31/2019)

Commercial and industrial loans and lease financing by industry* and total carbon emissions (TCE)**



Data sources: Internal Credit Database, S&P Global Market Intelligence (*SPGMI). M=millions
 *Industry categories are based on the North American Industry Classification System (NAICS) and include non-U.S. loans. For additional information, see Table 18 (Commercial and Industrial Loans and Lease Financing by Industry) in Management's Discussion and Analysis in our Annual Report on Form 10-K for the year ended December 31, 2019 (2019 Annual Report). The industry categories were updated in 2019 to align with industry groupings that our regulators use to monitor industry concentration risks.
 **Per TCFD Guidance, total carbon emissions (TCE) are the absolute greenhouse gas emissions associated with a portfolio, expressed in tons of CO₂ equivalent. These emissions represent a one-year lookback period

and reflect estimates for direct (Scope 1), indirect (Scope 2), and indirect upstream (Scope 3) emissions per GHG Protocol.
Note: Wells Fargo's Scope 3, Category 15 financed emissions included our client's Scope 1, Scope 2 and Scope 3 Upstream emissions in this analysis. These emissions represent a measure of climate-related transition risk to which the financing portfolios presented are potentially exposed.
 All financial balances match the 10-K with the exception of "Other" category, which was purposefully removed from the carbon accounting model.

Methodology

Carbon accounting requires two sources of data — internal and external. The internal data used was based on the commercial, industrial, and lease financing balances presented in our 2019 Annual Report, which totaled approximately \$360.4 billion in outstanding credit exposure. This dataset was already grouped into NAICS sector codes aligned to industry categories defined by the Office of the Comptroller of the Currency (OCC). We extrapolated emission factors using S&P Global Market Intelligence (SPGMI) datasets.

Once the emission factors were derived and scaled to dollar value factors, we multiplied them by our financial balances to determine estimated total carbon emissions or absolute GHGs associated with each industry category. Those final values are displayed and indexed in shades of purple representing concentrations of our clients' Scope 1, Scope 2, and Scope 3 Upstream emissions, which are aligned to the GHG Protocol. This methodology is aligned with the TCFD's recommended metric of total carbon emissions. It also was informed by our evaluation of various carbon accounting methodologies, including PCAF.

Stewardship and social impact

Collaborating with leading civil society groups, business and policy associations, peers, and other thought leaders helps us drive innovation and accelerate market-based solutions to the climate crisis. Stewardship and social impact across sectors and stakeholders are critical to meeting the level of ambition and progress it will take to achieve the Paris Agreement goals. To this end, we're working with communities, academia, industry, investors, customers, nongovernmental organizations,

nonprofits, and suppliers to understand how we can all work together to accelerate the transition to a low-carbon economy while adapting to a warming planet.

Rocky Mountain Institute Center for Climate-Aligned Finance

The financial sector's role in the global sustainability agenda is a critical component that can help drive climate-aligned solutions with a growing focus on implementing the principles of the Paris Agreement in real economy sectors. In July 2020, the [Rocky Mountain Institute](#) (RMI) — a leading global clean energy nonprofit — joined with Wells Fargo, Goldman Sachs, Bank of America, and JPMorgan Chase to launch the Center for Climate-Aligned Finance. The Center will be independently administered by RMI and will collaborate with the financial sector to help develop integrated solutions and decision-making frameworks in partnership with industry clients in carbon-intensive sectors. This work will support decarbonization, as well as develop relevant metrics, tools, and other means to track progress toward net-zero lending and investing activities.

Coalition for Climate Resilient Investment

Wells Fargo joined this private-sector initiative in 2020 to help advance practical solutions that technically integrate climate-related physical risks into investment decisions for real asset infrastructure. We provide direct input as a producer into the initiative's Asset Design and Structuring working group, which builds a framework for integrating climate-related risk data into cash flow modeling practices. Other members include asset owners, asset managers, insurance companies, rating agencies, and engineering firms — providing a systemic view of climate risk transfer and transformation between financial and nonfinancial channels. We recently

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joined as a producer for the initiative’s Financial Innovation working group, which uses insights from other working groups to formulate greenfield product strategies.

Bank 2030

We were one of six global banks that took part in the [Bank 2030*](#) project, which focused on accelerating the financing of the low-carbon economy and developing a vision for what a climate-progressive bank should look like by 2030. The University of Cambridge Institute for Sustainability Leadership conducted a benchmarking analysis of how leading banks are approaching plausible climate-related shifts in the economy leading up to 2030. Based on that study, the Institute authored a report examining the most likely cross-sector technology and policy trends driven by adoption of the Paris Agreement and the UN Sustainable Development Goals.

Resilient Communities Initiative

In 2017, Wells Fargo and the National Fish and Wildlife Foundation launched the Resilient Communities Program — a four-year initiative

supported through a \$12 million contribution from Wells Fargo that will be used to address the mounting threats of floods, droughts, rising sea levels, and longer hurricane and wildfire seasons. By investing in green infrastructure and providing conservation and resilience training for community leaders, the funded projects aim to enhance the environmental protections that local ecosystems naturally provide. The grants will be leveraged with other private and public funds with an expected total investment of \$24 million. Through this partnership and community resiliency projects, we anticipate the following outcomes (partial list):

- 180,000 acres of land restored and/or improved with land management
- 12,000 acres of land protected under conservation easements
- 13,000 acres of wetlands restored
- 71,000 trees planted
- 3 million gallons of storm water prevented annually
- 137,000 community members engaged in community resiliency efforts



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Powering change in communities

With help from Wells Fargo, GRID Alternatives has grown into a national leader in making renewable energy technology and job training accessible to underserved communities. In 2018, GRID and [Wells Fargo launched the Tribal Solar Accelerator Fund](#) to catalyze the growth of solar energy and expand solar job opportunities in Tribal communities across the U.S. The Spokane Tribe's Children of the Sun Solar Initiative was the first project selected for TSAF funding. This 650-kilowatt solar initiative, spearheaded by the Spokane Indian Housing Authority, was born in response to the 2016 Cayuse Mountain Fire that burned 18,000 acres on the Spokane reservation and cut power to the tribe's main administrative buildings and water supply. For the Spokane Tribe, solar represents not just a way to save money and create new economic opportunity but a chance to strengthen community resilience and take steps toward self-sufficiency.

[See Wells Fargo Stories for more examples of our environmental impact.](#)



Supporting climate resiliency among Native American and Alaska Natives

Climate-aligned outcomes are particularly important for those communities and populations that are most impacted by climate change but least equipped to confront it. Native Americans and Alaska Natives are particularly vulnerable due to a variety of cultural, economic, policy, geography, and historical factors. See below for examples.

Expanding water access in climate-threatened communities

Founded in 1995, [Red Feather Development Group*](#) is a 501(c)(3) nonprofit organization that partners with Tribal Nations to develop and implement sustainable solutions to housing needs within their communities. Red Feather serves the Hopi and Navajo Nations and works closely with government officials, community members, housing professionals, and volunteers within each community to manage its programming. The Wells Fargo Foundation has supported Red Feather since 2008, and most recently has supported Red Feather's Native Home Resource Network — a case management program that helps families address critical housing needs such as installing heating systems, fixing leaky roofs, reinforcing insulation, providing stable power, and more.

The Hopi and Navajo Nations live in a part of the country exposed to extreme hydrological stresses. For centuries, Navajo and Hopi families have had to collect their own water. The health impacts of water insecurity are especially being felt during the outbreak of COVID-19. The Navajo and Hopi Nations have observed one of the highest per-capita infection rates in the country along with significant loss of life. One of the best preventive measures for stopping the spread of COVID-19 and staying healthy is thorough handwashing, yet without dependable access to water this becomes particularly challenging. In response, Wells Fargo Community Giving awarded Red Feather an emergency grant to help in the deployment of high-capacity handwashing stations for Navajo and Hopi families without access to running water in their homes.

Risk management

“We have ongoing efforts underway to drive change by strengthening risk management and compliance throughout our company. Managing risk effectively is a fundamental part of what we do, and closely monitoring risks related to climate change is critical for our business.”

– Mandy Norton, Chief Risk Officer, Wells Fargo & Company

At Wells Fargo, every employee has a role in managing risk. Our Risk Management Framework describes how the company manages and governs its risk, including senior management’s responsibility to set the tone at the top by supporting a strong risk management culture. The Board holds senior management accountable for establishing and maintaining the right culture and effectively managing risk. Wells Fargo views climate change as a global challenge that presents significant impacts for businesses and communities around the world, and we are committed to ensuring climate-related risks and opportunities are appropriately identified and managed within our business.

Wells Fargo’s [Environmental and Social Risk Management \(ESRM\) Framework](#) provides information and transparency on the company’s

approach to managing environmental and social risks, including those related to climate change. Our ESRM Framework is aligned to the company’s Risk Management Framework, which sets forth the core principles on how the company seeks to manage and govern its risk. The risks the company takes include financial, such as credit, interest rate, market, liquidity and funding risks, and nonfinancial, such as operational, including company and model risks, strategic, and reputation risks. Environmental and social issues, including climate change, can manifest across risk types. We continue to refine our approach to integrating climate-related risks into our risk management programs and assessing how the TCFD categories of transition and physical risk may manifest across the risk types due to climate change dimensions.



Examples of potential climate-related impacts by risk type

Risk type	Physical	Transition
Credit	Credit quality deterioration due to physical damage to obligor collateral	Credit quality deterioration due to declining economic condition of obligors in carbon-intensive industries
Market	Negative impact to underlying physical assets	Market dysfunction or unusual levels of price volatility
Operational	Increased incidence or severity of natural disasters impacting bank branches, offices, or infrastructure	Impact of regulatory or legislative changes on company or vendor operations
Strategic	Business plans do not sufficiently account for impact of environmental change	Business plans do not sufficiently account for impact of client industry change or of direct regulatory/legislative change
Reputational	Stakeholder opinion change based on management of natural disasters impacting bank branches, offices, or infrastructure	Stakeholder opinion change based on the bank's climate-related commitments or lack thereof, or based on management of climate-sensitive client portfolio

Identifying, assessing, and managing climate-related risks

The Environmental and Social Risk Management (ESRM) team, which is part of our Public Affairs organization, maintains the ESRM Framework and other policies related to environmental and social issues, including enhanced due diligence for certain industries that are considered to be higher risk. ESRM evaluates a variety of criteria including the client's intended use of the financing proceeds, the industry and geographical locations of the client's operations, and the client's ability to manage current and potential future environmental and social impacts. This assessment enhances the Bank's understanding of the client's ability to manage potential future environmental impacts to their

business operations and factors that could impact the client's future credit profile.

Additional due diligence occurs at the point of lending or securities origination to help ensure that we integrate environmental and climate considerations directly into credit transactions with clients in climate-sensitive sectors. Once ESRM due diligence is complete — and we perform any additional due diligence that may be required — we assign an overall Environmental and Social Risk Rating (ESRR) of “low,” “moderate,” “high” or “critical” to each client or transaction under review. Clients with an overall ESRR of “critical” are escalated for credit decision, and clients with an overall “high” ESRR may be escalated. Approximately 5%-10% of companies reviewed by ESRM receive “high” or “critical” ESRR and are part of the corporate watch list.

Front-line business units are involved in developing the ESRM policies and practices to address managing risks for in-scope⁹ sectors. Our front line conducts a carbon price sensitivity analysis that is included in the primary underwriting memo at least annually for all borrowers that produce, generate, transmit, and distribute fossil-fuel-sourced power. In many cases, this includes specific considerations for the financial risks associated with carbon intensity in light of emerging policies, regulations, and/or observable market-based sentiments.

We adopted the Equator Principles (EP) in 2005 and joined its Steering Committee in 2017. This allowed us to directly contribute to the development of [EP4](#),* through which Wells Fargo and 110 other financial institutions committed to complying with climate-related risk and disclosure requirements aligned to the TCFD framework and related to in-scope transactions.

Risk appetite

Management defines and the Board approves the company's risk appetite, which is the amount of risk the company is comfortable taking given its current level of resources. Risk appetite defines which risks are acceptable and at what level and guides business and risk leaders. Risk appetite boundaries are set within the company's risk capacity. The company's risk appetite is articulated in a statement of risk appetite, which is approved at least annually by the Board. The company continuously monitors its risk appetite, and the Board reviews periodic risk appetite reports and analysis. In adherence to our company-wide ESRM Policy,¹⁰ Wells Fargo currently does not directly or indirectly provide new financing or is in the process of exiting existing relationships or reducing our exposure as contracts expire for certain prohibited activities. Examples include:

- Coal industry, including companies deriving profits from mountaintop removal coal operations, or any project associated with the expansion of an existing or development of a new coal mine or new coal-fired power plant.
- Equator Principles in-scope transactions in the Alaska Arctic Region.

Integration into overall risk management

The company has three lines of defense to manage risk: the front line, Independent Risk Management, and Internal Audit. Each line of defense has distinct risk management responsibilities, and every employee has a role to play in managing risk at the company.

- **Front line** – The front line, which comprises line of business and certain enterprise function activities, is the first line of defense. In the course of its business activities, the front line identifies, measures, and assesses, controls, monitors, and reports on risk generated by or associated with its business activities and balances risk and reward in decision-making while operating within the company's risk appetite.
- **Independent Risk Management (IRM)** – IRM is the second line of defense. It establishes and maintains the company's risk management program and provides oversight, including challenge to and independent assessment of, the front line's executions of its risk management responsibilities.
- **Internal Audit** – Internal Audit is the third line of defense. It acts as an independent assurance function and validates that the risk management program is adequately designed and functioning effectively.

9. Through September 2020, in scope sectors included: oil and gas, coal and metal mining, arms and armaments, consumer finance, and Equator Principles transactions.

10. Name changed to Environmental and Social Impact Management Policy in 2020

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Management of climate-related risks requires clearly defined roles and responsibilities and we are laying the groundwork to establish effective structures to support this focus and to drive outcomes. While environmental and social risks, including climate-related risks, can impact various risk types, the consideration of these risks is an important component of our reputation risk oversight and management processes. We expect climate change factors to increasingly impact other risk types and for climate change considerations to be further integrated into our processes for assessing various risks as our understanding of climate change impacts continues to grow and evolve over time.

- **Climate Impact Risk Forum** – We have established an enterprise Climate Risk Impact Forum to oversee the Company’s approach to managing climate-related risks and associated risk management practices in alignment with our Risk Management Framework. The Forum is a cross-functional group that includes senior leaders from

IRM, Social Impact and Sustainability, the Chief Operating Office, The Legal Department, and Corporate Treasury.

We established the Forum in late 2020 and it will begin meeting quarterly in 2021. In late 2020, a Climate Change Leader was appointed in IRM to help coordinate climate risk integration efforts across IRM and chair the Climate Impact Risk Forum; this role reports to the Chief Strategic Enterprise Risk Officer.

We expect climate change factors to increasingly impact other risk types and for climate change considerations to be further integrated into our processes for assessing various risks as our understanding of climate change impacts continues to grow and evolve over time.

We have also established a Climate Impact Risk Working Group that supports the Forum's mandate and includes representation from the various risk type areas, business-aligned Chief Risk Officer functions, enterprise risk programs, Environmental and Social Risk Management, Corporate Treasury, and the Chief Operating Office function and will begin meeting biweekly in 2021. This Working Group is responsible for developing approaches for further integrating climate-related risk considerations into our risk management programs and practices, assessing risk exposures, keeping informed of emerging climate research and periodically reporting to, and seeking input from, the Climate Impact Risk Forum.

- **Risk identification and assessment** – Risk identification is the process of identifying current and emerging risks. Risk assessment refers to the determination of the quantitative or qualitative level of specific risks and the impact these risks have on the Company. Risks include those expected under normal operating conditions, as well as risks that may manifest under stressed environments. Climate-related risks are identified within the company's Enterprise Risk Inventory through the established Enterprise Risk Identification and Assessment (ERIA) process.
- **Risk monitoring and reporting** – The company recognizes the range of inherent and potential climate-related risks associated with its current exposures to sensitive industries, with impacts across the various risk types including credit, strategic, and reputation risk. In addition to monitoring our exposures to sensitive industries, we continue to enhance our risk monitoring and reporting frameworks to include an expanded suite of metrics, key risk indicators, and qualitative assessment criteria designed to monitor and report on the company's climate-related risks.

We are committed to fostering an effective risk and control environment to manage risks, including those related to climate change. As we review and modify our risk management processes in the normal course of business, we expect to further incorporate climate considerations into our risk management programs.

The impacts of climate-related risks on the financial sector are increasingly an area of focus for governments and regulators globally. We are actively monitoring for potential future governmental policy actions that seek to address climate change. We engage with policymakers to understand the policy landscape and potential developments that may impact our business or clients in the future. This informs our approach to managing climate-related risk and our efforts to further integrate climate-related risk considerations into our risk management programs.

We are committed to fostering an effective risk and control environment to manage risks, including those related to climate change. As we review and modify our risk management processes in the normal course of business, we expect to further incorporate climate considerations into our risk management programs, including enterprise risk programs, portfolio management, and risk reporting. We aim to continue to improve our ability to identify and assess climate-related risks over time and expect to continue to refine our approach as we strengthen our understanding of how climate change impacts our business activities, processes, and risks.

Climate scenario analysis

Climate scenario analysis tools and models frame our forward-looking exploration of climate-related risks and opportunities. The tools and models use financial and nonfinancial data to produce outputs that we connect to financial and risk use cases. These use cases are guided by our evolving understanding of the transition and physical dimensions of climate change that are relevant to our products and services. For example, a forward-looking scenario might describe a plausible future state in which the Earth's climate system adversely changes over time. Such a scenario would frame our analysis of the transition pathways that result in the plausible future state and helps us determine how best to optimize our financing activities to meet particular targets, which can be business- or science-based.

The Social Impact and Sustainability team conducts data and technology exploration, model development, data analysis, and use case alignment. The insights and inferences we can gain from exploring scenarios on investing, lending, and securities portfolios inform our front line and IRM on how current and future financial portfolios might perform across mitigation, adaptation, and resilience vectors. This approach aligns real economy monitoring to internal planning cycles.

Top-down models

We leverage top-down models to give us insights into climate, energy, and socioeconomic systems providing plausible scenarios of operating environments overlaying our products and services. For example, we collaborate with Pacific Northwest National Laboratory (PNNL) to use their open-source Global Change Analysis Model (GCAM). The GCAM enables users to run external scenarios from the Intergovernmental Panel on Climate Change (IPCC), the International Energy Agency (IEA), and the International Institute for Applied Systems Analysis (IIASA).

GCAM gives us a consistent representation of developments in the economy, energy, agriculture,

land use, water, atmosphere, and climate. It covers 32 geopolitical regions, which include 384 land regions, and 235 water basins. It also provides an integrated global climate model that addresses residential and commercial building, power, transport (freight and passenger), and energy sectors. It uses input assumptions about population and labor productivity, technology performance and availability, depletable and renewable material resources, energy resources, land and other natural characteristics, and climate policies. It then provides conditional forecasts of the future prices and quantities for the energy, agriculture, land, and water markets, as well as international trade.

We are conducting due diligence on the Science Based Targets initiative (SBTi) models which use external scenarios as inputs and project how emissions might change over time. Using GHG accounting data, we are able to explore SBTi models in our internal analytical environment, where we also explore the GCAM, and we will be able to apply additional due diligence to other relevant climate scenario tools from our thought leadership networks.

Bottom-up models

We leverage bottom-up models as tools that give us insights into specific portfolios, companies, and assets that are exposed to changes in the climate. For example, in 2018 we partnered with management consulting firm Oliver Wyman and our U.S. peers to pilot a climate scenario analysis tool to measure the impact of various business risk scenarios on the credit quality of oil and gas companies exposed to transition-related risks. Business-based scenarios included sharp shifts by consumers toward electric vehicles as well as the gradual phase-in of carbon taxes that bear impacts on our clients' operating margins. The reference portfolio for the scenario tool, whose ultimate outputs were scenario-adjusted credit ratings, relied on datasets for publicly traded energy companies.

Metrics and targets

“Prioritizing streamlined data collection and high level accuracy and analysis allows us to set strong goals and drive accountability. We are focused on where the data shows opportunities and where we can make an impact.”

– Nate Hurst, Head of Social Impact and Sustainability, Wells Fargo & Company

The TCFD recommendations include various metrics such as total carbon emissions, weighted average carbon intensity, and carbon footprint. At Wells Fargo, we are exploring these metrics through study of the transition and physical dimensions of climate change on our business and operations.

Scope 1 emissions	Scope 2 emissions	Scope 3 emissions																														
Direct Emissions from Wells Fargo-owned or operated assets	Indirect Emissions from purchased energy sourced by hydrocarbons	Upstream Emissions from our supply chain																														
		Downstream Other emissions including those associated with our products (e.g., financed emissions)																														
		<table border="1"> <tr> <td>Category 1</td> <td>Purchased goods and services Reported in ESG goals and performance data</td> </tr> <tr> <td>Category 2</td> <td>Capital goods Reported in ESG goals and performance data</td> </tr> <tr> <td>Category 3</td> <td>Fuel and energy-related activities Reported in ESG goals and performance data</td> </tr> <tr> <td>Category 4</td> <td>Upstream transportation and distribution Not relevant</td> </tr> <tr> <td>Category 5</td> <td>Waste generated in operations Reported in ESG goals and performance data</td> </tr> <tr> <td>Category 6</td> <td>Employee business travel (air travel only) Reported in ESG goals and performance data</td> </tr> <tr> <td>Category 7</td> <td>Employee commuting Reported in ESG goals and performance data</td> </tr> <tr> <td>Category 8</td> <td>Upstream leased assets Not relevant</td> </tr> <tr> <td>Category 9</td> <td>Downstream transportation and distribution Not relevant</td> </tr> <tr> <td>Category 10</td> <td>Processing of sold products Not relevant</td> </tr> <tr> <td>Category 11</td> <td>Use of sold products Not relevant</td> </tr> <tr> <td>Category 12</td> <td>End of life treatment of sold products Not relevant</td> </tr> <tr> <td>Category 13</td> <td>Downstream leased assets Not relevant</td> </tr> <tr> <td>Category 14</td> <td>Franchises Not relevant</td> </tr> <tr> <td>Category 15</td> <td>Investments Relevant, not currently reported</td> </tr> </table>	Category 1	Purchased goods and services Reported in ESG goals and performance data	Category 2	Capital goods Reported in ESG goals and performance data	Category 3	Fuel and energy-related activities Reported in ESG goals and performance data	Category 4	Upstream transportation and distribution Not relevant	Category 5	Waste generated in operations Reported in ESG goals and performance data	Category 6	Employee business travel (air travel only) Reported in ESG goals and performance data	Category 7	Employee commuting Reported in ESG goals and performance data	Category 8	Upstream leased assets Not relevant	Category 9	Downstream transportation and distribution Not relevant	Category 10	Processing of sold products Not relevant	Category 11	Use of sold products Not relevant	Category 12	End of life treatment of sold products Not relevant	Category 13	Downstream leased assets Not relevant	Category 14	Franchises Not relevant	Category 15	Investments Relevant, not currently reported
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Please see our [ESG Goals & Performance Data 2020](#) and our [2020 CDP Response](#) to access our comprehensive data set for nonfinanced emissions. We currently report Scope 3 categories that are relevant and for which Wells Fargo has calculated emissions (see table above). We are currently working on carbon accounting to quantify the remaining relevant upstream and downstream emissions, including a prioritized selection of our Scope 3, Category 15 financed emissions. Wells Fargo’s GHG emissions for Scope 1, 2, and 3 upstream data are [independently verified](#).*

Select operational and financial sustainability goals	
Goal	2019 Results
Provide \$200 billion in financing to sustainable businesses and projects by 2030, including clean/renewable energy, green buildings, and green bonds	Provided ~\$26 billion to sustainable businesses and projects, bringing our cumulative total to ~\$49 billion (since 2018) of our \$200 billion commitment
Reduce energy consumption 40%	Reduced consumption 38% (from 2008 baseline)
Purchase renewable electricity to meet 100% of our global operations needs by the close of 2017	Met 100% of our global electricity needs with renewable energy sources (since 2017) ¹¹
Reduce greenhouse gas emissions 45%	Achieved a 52% reduction (from 2008 baseline). Purchased carbon offsets to achieve carbon neutrality for our 2019 operations.
Achieve LEED® certification for 35% of buildings (by leased and owned square footage)	30% LEED-certified square footage (2019)
Reduce water consumption 65%	61% reduction (from 2008 baseline)
Reduce total waste stream 50%	46% reduction (from 2010 baseline)

11. Renewable energy sources include on-site solar, long-term contracts that support net new sources of offsite renewable energy, and the purchase of renewable energy certificates (RECs).

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Outlook

Wells Fargo has made substantial progress toward understanding the implications of climate change for our business, customers, and communities. We anticipate making further progress in the following areas over the next two years:

Financed emissions

We are evaluating both internal and external climate-related measurement methodologies to determine meaningful and enduring approaches to calculate our financed emissions. Many gaps exist in our ability to calculate the financed emissions of our portfolio due to the lack of comprehensive, integral data. We support efforts to improve the monitoring, reporting, and verification of GHG emissions through data-driven innovations such as machine learning and artificial intelligence, remote sensors and satellites, and advanced geospatial image processing. These innovations will eventually allow for greater carbon transparency in everyday economic activities. In addition to technological solutions, Wells Fargo is exploring industry-led methodologies for measuring and disclosing financed emissions. One specific methodology under consideration is [PCAF](#)^{*} which aims to create a single standard for financial institutions to calculate, report, and disclose financed emissions. We intend to make a final decision on whether joining PCAF is the appropriate path for our business and stakeholders in 2021.

Disclosure and frameworks

We expect our ESG or nonfinancial disclosures to continue to evolve as disciplines mature and as we aim to meet stakeholder expectations for robust disclosure. Utilizing frameworks to standardize climate-related disclosure supports the accountability aspect of long-term, effective climate action. We are guided by mandatory and voluntary disclosure frameworks as we engage in a meaningful dialogue that provides our stakeholders with consistent, standardized information.

Risk management

We are committed to fostering an effective risk and control environment to manage risks to our business. We expect that the management of climate-related risks will be of increasing importance in the future as part of an effective risk and control environment for our business. We plan to continue to integrate climate change considerations into our risk management processes as we strengthen our understanding of how climate change impacts our business activities, processes, and risks.

We are evaluating both internal and external climate-related measurement methodologies to determine meaningful and enduring approaches to calculate our financed emissions.

Goal setting

As we are developing this report, we are still determining progress against our 2020 corporate responsibility goals. We are in the process of establishing a new set of robust long-term ESG goals, including those related to climate change and reducing GHGs. Learnings from our work to quantify our Scope 3 financed emissions will help inform our ongoing efforts to set a science-based target and develop specific commitments, including with respect to financed emissions, consistent with the Paris Agreement, including its goal of holding the increase in global average temperature to well below 2° Celsius above preindustrial levels and pursuing efforts to limit the temperature increase to 1.5° Celsius above preindustrial levels recognizing that this would significantly reduce the risks and impacts of climate change. These commitments may include, among other things, our current efforts to collectively transition to a low-carbon, climate resilient future, as discussed in the [Strategy](#) section.

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Customer preferences and engagement

In response to rapidly changing customer preferences, we consider the climate when developing new products and services across our lending and investing businesses. We will continue to support and engage with our clients and communities on their transition pathways, evolving practices, and strategies for addressing potential climate impacts to their businesses.

Scenario analysis

Our participation in climate scenario analysis pilots demonstrated to us that it is possible to evaluate future financial impacts associated with transition dimensions of climate change. We will continue to engage with external parties in developing scenario tools that are relevant for internal decision-making practices such as budget, strategic, risk, and financial planning.

Environmental and social justice

Environmental and social justice and sustainability are interdependent. Across America, we can see the disproportionate impact of environmental and health hazards on communities of color and low-income communities. During 2021, one of Wells Fargo's priorities is to factor environmental considerations into our commitment to racial and social equity.

About this report

About Wells Fargo

Wells Fargo & Company (NYSE: WFC) is a leading financial services company that has approximately \$1.9 trillion in assets and proudly serves one in three U.S. households and more than 10% of all middle market companies in the U.S. We provide a diversified set of banking, investment and mortgage products and services, as well as consumer and commercial finance, through our four reportable operating segments: Consumer Banking and Lending, Commercial Banking, Corporate and Investment Banking, and Wealth and Investment Management. Wells Fargo ranked No. 30 on Fortune's 2020 rankings of America's largest corporations. In the communities we serve, the company focuses its social impact on building a sustainable, inclusive future for all by supporting housing affordability, small business growth, financial health and a low-carbon economy.

About the TCFD

The [TCFD Framework](#)* supports the development of voluntary climate-related financial disclosures that convey a range of practices with respect to climate-related risks and opportunities. Integrating the nonfinancial dimensions of climate change into traditional finance and risk management toolsets is challenging, but we believe it is critical to meet those challenges so we can provide better insights to decision-makers looking to efficiently allocate capital, protect assets, and support sustainable development. Wells Fargo's inaugural TCFD Report aims to capture the comprehensive, company-wide approach we are taking in response to the urgent, uncertain, and systemic crisis of human-induced climate change.

Forward-looking statements

This Report contains forward-looking statements. Forward-looking statements can be identified by words such as "anticipates," "intends," "plans,"

"seeks," "believes," "estimates," "expects," "target," "projects," "outlook," "forecast," "will," "may," "could," "should," "can" and similar references to future periods. Forward-looking statements are not based on historical facts, but instead represent our current expectations and assumptions regarding our business, the economy, and other future conditions. Because forward-looking statements relate to the future, they are subject to inherent uncertainties, risks, and changes in circumstances that are difficult to predict. You are urged to not unduly rely on forward-looking statements, as actual results could differ materially from expectations. Forward-looking statements speak only as of the date made, and we do not undertake to update them to reflect changes or events that occur after that date. For more information about factors that could cause actual results to differ materially from expectations, please refer to our reports filed with the Securities and Exchange Commission (SEC), including the discussion under "Forward-looking Statements" and "Risk Factors" in our 2019 Annual Report on Form 10-K, and in our 2020 Quarterly Reports on Form 10-Q, each as filed with the SEC and available on its website at www.sec.gov.*

Securities and Exchange Commission filings

Our annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, and amendments to these reports are available free of charge on our website as soon as practical after they are electronically filed with, or furnished to, the SEC. These reports and amendments also are available free of charge on the SEC's website at www.sec.gov.*

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March 6, 2023

Mr. Rick Tadder
Management Services Director/Treasurer
City of Flagstaff
211 W. Aspen Ave.
Flagstaff, AZ 86001

Dear Mr. Tadder,

The purpose of this Community Letter is threefold:

- 1) Respond to the Citizen Petition about Wells Fargo lending practices for fossil fuels; describe our approach to Environmental, Social, and Governance (ESG) factors.
- 2) Detail our long-term partnership with the City; highlight our understanding of the City's operations/processes
- 3) Highlight our community involvement; approach to affordable housing

Wells Fargo's approach to fossil fuels and ESG

In May, we announced our CO2eMission, our net-zero and target-setting methodology for aligning our financial portfolios to the temperature goals of the Paris Agreement and setting interim, emissions-based targets to guide that alignment.

Wells Fargo believes that climate change is one of the most-urgent environmental and social issues of our time. And we have committed to aligning our activities to support the temperature goals of the Paris Agreement. To this end, last year, we set a goal of net-zero greenhouse gas emissions by 2050. This goal includes client emissions attributable to our financing.

When we announced our net-zero goal, we committed to setting interim targets for the Oil & Gas and Power sectors. We announced those targets May 4, 2022, including:

- Oil & Gas: reduce absolute financed emissions by 26% from a 2019 baseline by 2030

- Power: reduce the emissions intensity of our power portfolio by 60% from a 2019 baseline by 2030

We expect to publicly report on the progress made against the targets for the Oil & Gas and Power sectors and plans to set additional targets for other key emitting sectors.

Meanwhile, we will support our clients throughout the energy transition by:

Reaching our net-zero ambition is all about working with our clients via:

- Providing capital needed to adjust to evolving industry dynamics
- Supporting the innovation ecosystem that is bringing new low-carbon technologies and business models to market
- Advocating for policy initiatives that advance the U.S. objective of meeting the goals of the Paris Agreement.

Wells Fargo has been a leading financial partner to traditional energy companies as well as the renewable energy sector for many years. We value our relationships with our energy and power clients in the U.S. And we are one of the largest lenders and investors in renewable energy and clean technologies. We will continue to support our clients in this industry as they provide the fuel that powers society today and respond to the evolving market, and as they invest in clean technology innovation and solutions.

Our complete CO₂eMission Methodology Report and Executive Summary are posted publicly here: <https://sites.wf.com/co2emission/>

Regarding ESG, Wells Fargo has an ongoing process to assess and prioritize ESG topics that are most relevant to our company and our stakeholders. That process is published publicly here: <https://www08.wellsfargomedia.com/assets/pdf/about/corporate-responsibility/environmental-social-governance-report.pdf>

At Wells Fargo, we regularly monitor ESG trends to inform our ESG strategy, goals, and reporting priorities. We have been conducting formal ESG materiality assessments periodically since 2009 to identify topics most important for ESG purposes.

Our most recent ESG materiality assessment included substantial research in light of the significant, recent changes in our business and heightened stakeholder feedback about current and emerging socioeconomic and environmental trends. This research included an evaluation of global standard expectations, including the Global Reporting Initiative (GRI), the United Nations Sustainable Development Goals (SDGs), the Sustainable Accounting Standards Board (SASB), and the Task Force on Climate-related Financial Disclosures (TCFD).

As part of our most recent ESG materiality assessment, we interviewed internal and external stakeholders, including more than 30 Wells Fargo leaders and subject matter experts from across the company, and members of our external Stakeholder Advisory Council. We also included input from stakeholders representing Wells Fargo customers and employees, ESG investors, government, media, NGOs, and financial peers.

We continue to develop new ESG goals and frameworks to address the themes and topics generated by the ESG materiality assessment

Partnership with the City of Flagstaff

Wells Fargo Bank has been the City of Flagstaff's banking services partner for over 35 years (since 1986). Our partnership is both collaborative and inclusive. We share the City's visions and values, and we take a proactive approach to thoroughly understanding the City's current and future goals. We continually look for new and innovative ways to partner with the City to achieve these goals.

As your primary banking partner, Wells Fargo provides innovative solutions and forward thinking to position the City for the future. With our robust resources and industry specific expertise, your dedicated Relationship Manager and Treasury Management Consultant provide insight on how cities are evolving to the ever-changing bank environment and identify how we can continue to improve Flagstaff's daily operations.

Currently our partnership provides the following solutions:

- **Deposits:** To ensure the City receives the maximum benefit from its deposits, we continually work together to identify the best deposit strategies and ensure that those deposit strategies remain relevant with the ever-changing rate environment.

In addition, Arizona Revised Statutes Title 35, Public Finances § 35-1207, provides that, "Collateral for public deposits required collateral shall be one hundred two percent of public deposits less any applicable deposit insurance."

Wells Fargo Bank maintains a public funds deposit collateralization program which is specifically designed to satisfy all applicable statutes and regulations governing public funds deposits. Our dedicated Public Funds Collateral Management team is committed to providing seamless collateralization of your public fund deposits in excess of FDIC insurance coverage. See attached document that outlines the practices and procedures of Wells Fargo

- **Fraud Controls:** To protect the City from unauthorized electronic debits and fraudulent check writing, we provide essential controls to prevent transactions from clearing, while providing notice to City staff of these attempts. Additionally, we have numerous resources to provide you

with the latest trends on fraud threats and best practices to protect City funds. These resources can include annual fraud training sessions, either on-site or virtually through a webinar series.

- Collections: Wells Fargo provides not only standard branch deposits, but innovative tools to deposit funds timely while providing constituents more ways to pay for City services
 - Electronic Lockbox: This allows for utility payments to be accepted electronically versus a mailed-in paper check, providing funds faster to the City while also giving timely credit to the constituent's utility account.
 - Smart Safe: With an onsite smart safe, the City can securely collect and deposit cash on site, receiving credit prior to the scheduled armored car pickup. This allows for the City to report collections sooner, reduce risk, and eliminate daily armored card pickups
 - Image Cash Letter: This solution allows the City, through your cashiering system, to collect checks onsite, posting payments in real time. At the end of the day, all collections are included on a data file to Wells Fargo that electronically credits the City.
 - Desktop Deposit: For miscellaneous collections, staff can deposit funds on site utilizing a desktop scanner through our online banking portal. By using this solution, the City can deposit funds as soon as they are received and reduce trips to the branch.
- Disbursements: In addition to standard check writing, Wells Fargo provides ways for the City to pay its employees and vendors electronically:
 - Payroll: The City utilizes direct deposit services for payroll
 - Vendors: With ACH (also known as Electronic Funds Transfers), the City can pay vendors electronically, removing the risks involved with paper checks. Additionally, the City and Wells Fargo have had numerous discussions over the course of our partnership about improving the Accounts Payables process.
 - Wires: Our robust wire initiation tool through our online portal provides security around the initiation and approval of large payments sent out by the City. These controls include Citywide, account, and user-specific limits. For business continuity, the City also has voice wire services, allowing approved City staff to initiate over-the-phone payments, utilizing a unique PIN to send payments during emergencies or system outages.
- Reporting Tools: The City has many types of collections and disbursements, which require robust search and reporting capabilities:
 - Online Reporting Tools: Today, Wells Fargo provides daily activity, returned item, and transaction-specific reporting along with robust search and image-viewing tools to assist with ADHOC research and monthly bank reconciliation.
 - Automated Receivables: A daily receivables file for utility payments is provided to the City helping avoid manual keying and assist with posting payments accurately and timely.
 - Deposit Location Reporting: With a unique location identifier on different department's deposit tickets, we provide location-specific information for deposits. This allows for

- funds to be allocated appropriately and timely, which also helps with accurate monthly reconciliations
- Paid Check File: To aid in timely reconciliation of cleared checks, Wells Fargo delivers a paid check file. This import file is uploaded directly to the City's accounting system to provide quick reconciliation of paid check items and further improve the monthly reconciliation process.

In addition to the business solutions we currently provide, your Wells Fargo team participated in an Ethnography study (of various City departments) and, most recently, a Business Process Review of your Accounts Payable processes. These were an in-depth study and review that provided valuable insight into the City's processes. It also provided us with a live document to work from that can be modified in the future to remain relevant with the evolving environment. In addition to your dedicated team, the study results provided valuable information to other Wells Fargo team members who have intimate knowledge of the City's specific processes.

The community also benefits from these studies through enhanced communication transparency when, for example, using the City's website or interfacing with City employees. It provides a crucial vehicle for accountability and integrity which the community deserves and expects. It allows leadership to continue providing excellence to the community they serve while carrying out the City's mission of providing quality of life for all.

Lastly, with our nationwide Government Banking team, we have an array of resources to provide best practices, success stories, and innovative solutions to municipalities of all sizes.

Wells Fargo has the knowledge and expertise to continue providing the solutions that the City of Flagstaff will need to continue growing and prospering. We are proud to be your partner.

Community involvement and housing affordability

Wells Fargo takes pride in being a part of the Flagstaff community since 1895. Today, 24 of our employees live or work in Flagstaff, representing Consumer and Small Business Banking, Commercial Banking, Wealth and Investment Management, and Human Resources.

In Flagstaff, here's how our support has taken shape in recent years: Between 2019 and 2022, we have contributed almost \$1,148,000 to Flagstaff nonprofits and other charities supporting local neighborhoods and businesses, with our highest priority on financial health and housing affordability. Recipients include:

- Coconino County Community College Foundation
- Flagstaff Family Food Center
- Flagstaff Shelter Services

- Habitat for Humanity of Northern Arizona
- Housing Solutions of Northern Arizona
- Red Feather Development Group
- Rural Community Assistance Corp.
- United Way of Northern Arizona
 - In 2022 we provided a Disaster Relief grant to United Way to support their volunteer efforts to fill sandbags for flood mitigation and to clean up debris from homes that have been damaged and/or destroyed by fires and floods.

In Coconino County in that same period, our contributions to nonprofits totaled more than \$1,657,000, also with housing affordability and financial health as our top priorities. In addition to the organizations above, other nonprofit grant recipients include:

- Change Labs
- Earn to Learn
- Grand Canyon Conservancy
- Museum of Northern Arizona
- National Forest Foundation

Statewide in Arizona, more than 15,240 Wells Fargo employees work in Arizona at 226 locations. In 2020, our most recent data available, Wells Fargo Commercial Banking funded more than 20,600 loans for \$974.4 million. Meanwhile our Home Mortgage business made 7,738 loans for \$2.475 billion. Our Community Development Lending totaled 30 loans for \$73.4 million. In addition, in 2022, our Arizona employees contributed nearly \$532,000 to nonprofits in the state and volunteered nearly 39,000 hours.

Our approach to housing affordability centers on our belief that there is a global shortage of affordable housing for low- and moderate-income communities, and high housing costs have only amplified growing economic inequity. Our goal is to support solutions that allow people to have a safe and affordable place to call home, which is the foundation for wellness, dignity, and economic opportunity. Our strategies are focused on keeping people in their homes, opening pathways to homeownership, increasing initiatives that drive supply of affordable homes, and advancing innovation and transformation on the ground in local communities.

These efforts help to advance racial equity to create a future where everyone should have a quality place to live. In 2020, we helped keep more than 200,000 people housed in the U.S. through efforts focused on advancing housing affordability solutions and relief. Since 2019, nearly \$274 million has been allocated toward our \$1 billion housing affordability commitment through 2025. Highlights of our commitment include:

- In 2020, Wells Fargo and Enterprise Community Partners launched a \$20 million Housing Affordability Breakthrough Challenge to uncover the most innovative, scalable, and viable ideas for increasing housing affordability. The competition awarded six grants across the U.S. of more

than \$2 million each, in addition to providing two years of technical assistance to help turn the grantees' scalable concepts into reality.

- In collaboration with Habitat for Humanity and Rebuilding Together, we funded more than 400 home build projects across the U.S. in 2020, enabling low- and moderate-income families to become first-time homeowners, making repairs so seniors and veterans can safely stay in their homes, revitalizing neighborhoods, and championing advocacy work that helps people meet basic shelter needs.
- Through our NeighborhoodLIFT program, we collaborate with NeighborWorks® America and local charitable organizations to support sustainable homeownership and help advance neighborhood stability by delivering down payment assistance to low- and moderate-income people to complete HUD-approved homebuyer education.

We hope the details above provide information and resources for the Flagstaff community to better understand our approach to energy, serving as the City's bank, and our community involvement in Flagstaff, Coconino County and the state of Arizona. Please let me know if you need more information.

Thank You,

Stephany Jordan-Slider

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Environmental, Social, and Governance (ESG) Report

Published September 2022

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About Wells Fargo

Wells Fargo & Company (NYSE: WFC) is a leading financial services company that has approximately \$1.9 trillion in assets, proudly serves one in three U.S. households and more than 10% of small businesses in the U.S., and is a leading middle market banking provider in the U.S. We provide a diversified set of banking, investment, and mortgage products and services, as well as consumer and commercial finance, through our four reportable operating segments: Consumer Banking and Lending, Commercial Banking, Corporate and Investment Banking, and Wealth & Investment Management. Wells Fargo ranked No. 41 on Fortune's 2022 rankings of America's largest corporations. In the communities we serve, the company focuses its social impact on building a sustainable, inclusive future for all by supporting housing affordability, small business growth, financial health, and a low-carbon economy.

Cautionary notes

This document contains forward-looking statements about our future activities, plans, objectives, expectations, and other future conditions. Please see the [Disclaimer and Forward-Looking Statements](#) section for more information about factors that could cause actual results to differ materially from our forward-looking statements.

Data herein is as of Dec. 31, 2021, unless otherwise indicated.

Wells Fargo has provided external links within this document for your convenience, but Wells Fargo does not endorse and is not responsible for the content, links, privacy policy, or security policy of these websites.

\$1.9
Trillion
in assets



Serving **1 in 3** U.S. households

and more than
10%
of small
businesses
in the U.S.

Environmental

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A letter from the CEO



At Wells Fargo, we believe that to be successful as a company, we must consider a broad set of stakeholders in our decisions and actions, beyond shareholders. This is not in lieu of shareholders — in fact, we believe a broader focus will enhance our returns to shareholders over time. Consumers and businesses want to do business with a company that actively supports employees, customers, and communities — especially those most in need.

In the pages that follow, you'll find an overview of the environmental, social, and governance (ESG) work underway at Wells Fargo. This includes the work we are doing to build a sustainable, inclusive future in the communities we serve. These efforts span housing affordability, small business growth, financial inclusion, addressing climate change, and other initiatives.

We consider this work a sustained, long-term commitment. We know that there is much work to do, and Wells Fargo is well-positioned to make a difference.

A handwritten signature in black ink that reads "Charles W. Scharf". The signature is written in a cursive, flowing style.

— **Charles W. Scharf**
CEO, Wells Fargo & Company

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Wells Fargo's key ESG themes & focus areas

As a leading financial services company, Wells Fargo believes that it has a role to play in addressing social, economic, and environmental sustainability, and the company is committed to sound and effective corporate governance practices. The company continues to take an active role in addressing pressing societal challenges to drive positive impact.

Wells Fargo regularly assesses ESG and sustainability themes and focus areas that it believes are most relevant to the company and its stakeholders. The company monitors ESG trends, and has periodically engaged with stakeholders to identify top-of-mind ESG themes, which inform its strategies, goals, and reporting priorities. With those topics in mind, Wells Fargo continues to work to make meaningful progress with respect to these pressing ESG challenges.



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Wells Fargo focuses its work on three sustainability-related areas of critical importance.



Environmental sustainability

Wells Fargo believes that climate change is one of the most urgent environmental and social issues of our time. That is why in March 2021, Wells Fargo announced its effort to support the transition to a low-carbon economy by setting a goal of net-zero greenhouse gas emissions by 2050. In 2021, the bank also joined the Net-Zero Banking Alliance, an industry leadership group focused on implementing climate targets. In furtherance of this net-zero goal, in May 2022, the company published the [Wells Fargo CO2eMissionSM](#), a climate alignment and target-setting methodology for its financing portfolios, and set its first interim financed emissions targets for two high-emitting sectors (Oil & Gas and Power). In 2021, the company also launched an Institute for Sustainable Finance to deploy \$500 billion of financing to sustainable businesses and projects by 2030, as well as to support science-based research on low-carbon solutions, and advocate for policies that enable client transitions.



Social impact

Wells Fargo seeks to support a more sustainable and equitable economy by opening pathways to economic advancement, championing quality affordable homes, empowering small business growth, and enabling a low-carbon economy. Through these and other efforts, the company hopes to help build wealth, enhance economic mobility, and strengthen diverse and historically marginalized communities. In collaboration with community organizations, civic leaders, and nonprofits at the local, state, and national levels, Wells Fargo is working to address systemic barriers to financial inclusion and opportunity. Wells Fargo's resources and expertise can make a positive impact in communities, addressing these complex societal issues to help build a more sustainable, equitable future for all.



Diversity, equity, and inclusion

Wells Fargo is dedicated to diversity, equity, and inclusion. The company is focused on increasing diverse representation at all levels, creating a more inclusive workplace, and better serving and growing its diverse customer segments and diverse suppliers across all lines of business. This approach is embedded in the company's culture and business practices, products and services, and philanthropic giving. Additional details are discussed in the [2022 Diversity, Equity, and Inclusion Report \(PDF\)](#).

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As Wells Fargo continues its work on key ESG themes, the company recognizes that its employees, culture, and governance are all critical ingredients for making meaningful progress.

Environmental



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Environmental sustainability

Wells Fargo's focus on environmental sustainability is about working toward an equitable and sustainable future and to support the transition to a low-carbon economy. In March 2021, Wells Fargo [announced](#) its efforts to support the transition to a low-carbon economy by setting a goal of net-zero greenhouse gas emissions — including its financed emissions — by 2050.

In addition to Wells Fargo's net-zero greenhouse gas emissions by 2050 goal, the company committed to deploying its resources and working closely with customers. To drive its execution efforts, Wells Fargo established an enterprise-wide climate initiative to promote leadership connectivity and accountability. In addition, Wells Fargo's Independent Risk Management (IRM) function provides holistic oversight of the integration of climate considerations into the Risk Management Framework.



Operational sustainability

Wells Fargo is working to embed environmental sustainability throughout our operations to drive efficiencies and responsible resource use, including reducing energy, water, and resource consumption as well as greenhouse gas emissions.

Wells Fargo continues to work to reduce the emissions, water and energy consumption, and waste associated with its operations.

Common factors used to measure relative environmental performance	Unit	2019	2020	2021
Employees ¹	# of employees	271,924	268,531	249,435
Revenue	USD (in billions)	86.8	74.3	78.5
Square footage ²	# sq ft	86,179,338	82,617,819	78,200,000

Notes

- Employee numbers for this section reflect employee headcount at Wells Fargo as reported in the company's annual report for each calendar year.
- Includes square footage (sq ft) from Wells Fargo-owned and leased facilities worldwide, as well as its network of more than 12,000 ATMs in the U.S. Excludes square footage from land and parking lots.

Energy usage	Unit ³	2019	2020	2021
Fuel (includes fuel oil, propane, and fuels for fleet vehicles)	MWh	24,713	16,979	20,330
Natural gas	MWh	383,277	353,183	310,483
Electricity ¹	MWh	1,816,629	1,654,354	1,550,417
Chilled water	MWh	0	0	0
District heating ²	MWh	13,518	13,211	12,911
Total energy consumption	MWh	2,238,137	2,037,727	1,894,141
Reduction in total energy consumption (from 2019 baseline)	%	0	9	15
Purchased electricity consumption	kWh/sq ft	21.0	20.0	19.8
	kWh/employee	6,992	6,161	6,256

Notes

- Includes purchased and self-supplied electricity. Refer to table within [Growing the renewable energy supply](#) section for additional details.
- District heating includes purchased steam.
- To facilitate the calculation of total energy usage, all components are converted into MWh.

LEED® buildings ¹	Unit	2019	2020	2021
Total sq ft of LEED-certified projects	sq ft	43,111,577	44,521,605	44,941,226
Total number of LEED-certified	# of projects	834	907	912

Notes

1. Includes certifications and recertifications under all Leadership in Energy and Environmental Design (LEED) rating systems (for example, new construction, existing buildings, and interior design) for relevant leased and owned spaces.

Paper consumption	Unit	2019	2020	2021
Copy paper made from >30% post-consumer waste	%	81	77	76

Waste	Unit	2019	2020	2021
Recycling: plastic, metal, and cardboard	short tons	5,536	4,104	3,992
Other recycling: compost, cable, media, and e-waste ¹	short tons	2,220	698	850
Paper recycled	short tons	44,474	31,567	25,422
Total recycling	short tons	52,230	36,369	30,265
Total waste to landfill	short tons	28,582	24,647	19,874
Total waste stream	short tons	80,813	61,016	50,139
Reduction in total waste stream (from 2019 baseline)	%	0	24	38
Devices reused or recycled ^{1,2}	# of devices	30,617	13,117	23,130
Devices reused or recycled ^{1,2}	# of pounds	15,316	8,503	16,026
E-waste disposed of using certified responsible vendors ^{1,2}	%	100	100	100

Notes

1. Wells Fargo is a member of the e-Stewards Standards, which sets standards for disposal of hazardous electronic waste that includes electronic equipment, parts, and materials (for example, computers, monitors and peripherals, fax machines, printers, copiers, and cell phones destined for recycling or disposal, but not for direct reuse), which contain, consist of, or are derived from materials that pose potential threats to public health or the environment or meet any of the following criteria:

- a. Are listed, referenced, considered, or referred to as a hazardous waste in laws or treaties, or by the U.S. Environmental Protection Agency or other relevant U.S., state, local, or foreign governmental agencies; or
- b. Exhibit one or more of the characteristics of hazardous waste (ignitability, cohesiveness, reactivity, and/or toxicity); or is generated by the treatment of hazardous waste; or is contained in a hazardous waste.

2. Data is specific to mobile devices (iPhone, iPad only).

	Water	Unit	2019	2020	2021
Total water consumption (municipal water use)		Cubic meters	7,729,753	6,678,849	5,454,839
Reduction in water consumption (from 2019 baseline)		%	0	14	30

Wells Fargo calculates its operational Scope 1 and Scope 2 emissions in accordance with the Greenhouse Gas Protocol. Scope 1 emissions are direct greenhouse gas (GHG) emissions that occur from sources that are controlled or owned by an organization. Scope 2 emissions are indirect GHG emissions associated with the purchase of electricity, steam, heat, or cooling, and are a result of the organization's energy use.

Scope 1 and Scope 2 (location & market based) Emissions ³	Unit ¹	2019	2020	2021*
Stationary combustion ⁴	MTCO ₂ e	72,238	67,430	59,342
Mobile combustion	MTCO ₂ e	3,080	579	683
Refrigerants and fire suppressants	MTCO ₂ e	11,285	10,078	13,293
Total Scope 1 ⁴	MTCO ₂ e	86,602	78,087	73,319
Purchased electricity	MTCO ₂ e	768,266	691,019	569,079
District heating	MTCO ₂ e	3,061	2,992	554
Total Scope 2 (location)	MTCO ₂ e	771,327	694,011	569,633
Purchased electricity	MTCO ₂ e	1,927	623	1,238
District heating	MTCO ₂ e	3,061	2,991	554
Total Scope 2 (market)	MTCO ₂ e	4,988	3,614	1,792
Total Scope 1 and 2 (location) ⁴	MTCO ₂ e	857,929	772,098	642,952
Total Scope 1 and 2 (market) ⁴	MTCO ₂ e	91,591	81,701	75,111
Carbon offsets purchased ²	MTCO ₂ e	98,981	92,019	81,809
Net Scope 1 and Scope 2 (market)	MTCO ₂ e	0 ²	0 ²	0 ²
Reduction in total Scope 1 and 2 (location) GHG emissions (from 2019 baseline)	%	0	10	25

Notes

*Wells Fargo's environmental data included in the Statements of Greenhouse Gas (GHG) Emissions has been reviewed by an independent third-party accountant for the year ended December 31, 2021.

1. MTCO₂e stands for metric tons carbon dioxide equivalent.

2. Wells Fargo has purchased carbon offsets to achieve carbon neutrality for Scope 1 and Scope 2 emissions since 2019.

3. A location-based method reflects the average emissions intensity of grids on which energy consumption occurs (using grid-average emission factor data). A market-based method reflects emissions from electricity that Wells Fargo has purposefully chosen. It derives emission factors from contractual instruments, which include any type of contract between two parties for the sale and purchase of energy bundled with attributes about the energy generation, or for unbundled attribute claims.

4. Total Scope 1 emissions in 2019 and 2020 have been restated to reflect a correction to the emissions calculation for stationary combustion.

References

[Environmental Data Assurance \(PDF\)](#)

[CDP Report \(PDF\)](#)

Scope 3 Emissions	Unit ¹	2019	2020	2021*
Category 1: Purchased goods and services ²	MTCO ₂ e	2,304,829	1,639,281	1,429,619
Category 2: Capital goods ²	MTCO ₂ e	455,599	358,268	348,249
Category 3: Fuel and energy-related activities (not included in Scope 1 or 2)	MTCO ₂ e	148,420	123,970	121,357
Category 4: Upstream transportation and distribution ³		Not relevant	Not relevant	Not relevant
Category 5: Waste generated in operations	MTCO ₂ e	9,921	7,622	13,058
Category 6: Employee business travel (air travel only) ⁴	MTCO ₂ e	71,019	14,111	4,795
Category 7: Employee commuting	MTCO ₂ e	613,405	313,757	218,795
Category 8: Upstream leased assets ³		Not relevant	Not relevant	Not relevant
Category 9: Downstream transportation and distribution ³		Not relevant	Not relevant	Not relevant
Category 10: Processing of sold products ³		Not relevant	Not relevant	Not relevant
Category 11: Use of sold products ³		Not relevant	Not relevant	Not relevant
Category 12: End of life treatment of sold products ³		Not relevant	Not relevant	Not relevant
Category 13: Downstream leased assets ³		Not relevant	Not relevant	Not relevant
Category 14: Franchises ³		Not relevant	Not relevant	Not relevant
Category 15: Investments ^{3,5}		Relevant, not calculated	Relevant, not calculated	Relevant, not calculated

Notes

*Wells Fargo's environmental data included in the Statements of Greenhouse Gas (GHG) Emissions has been reviewed by an independent third-party accountant for the year ended December 31, 2021.

1. MTCO₂e stands for metric tons carbon dioxide equivalent.
2. In 2020, Scope 3, Category 1 and Category 2 emissions reporting transitioned to USEEIO 1.0 emissions factors from previously utilized UK DEFRA emissions factors. This methodology change resulted in a large decrease in emissions. In 2021, USEEIO 1.1 emission factors were applied resulting in additional accounting refinements.
3. Categories listed above as "not relevant" or "relevant, not calculated" include activities that were not yet calculated, not applicable to Wells Fargo's business activities or they have already been included in Scope 1 and 2 emissions.
4. Category 6: Employee business air travel emissions in 2019 and 2020 have been restated to reflect a correction to the emissions calculation.
5. Wells Fargo is in the process of calculating this data, but has not made significant enough progress to report figures. Refer to [Wells Fargo CO₂eMissionSM](#) for additional information.

References

- [Environmental Data Assurance \(PDF\)](#)
[CDP Report \(PDF\)](#)

Scope 1 & 2 GHG emissions intensity	Unit	2019	2020	2021
Total Scope 1 and Scope 2 (location) emissions per revenue ¹	MTCO ₂ e/revenue (in millions USD)	10.1	10.7	8.2
Total Scope 1 and Scope 2 (location) emissions per sq ft ¹	MTCO ₂ e/1,000 sq ft	10.0	9.3	8.2
Total Scope 1 and Scope 2 (location) emissions per employee ¹	MTCO ₂ e/employee	3.3	2.9	2.6

Notes

1. A location-based method reflects the average emissions intensity of grids on which energy consumption occurs (using grid-average emission factor data).



Growing the renewable energy supply

Consistent with the company's climate and sustainability goals, Wells Fargo is committed to supporting the development of new sources of renewable energy. Through the end of 2021, Wells Fargo contracted for 210 megawatts (MW) of new renewable energy generation across 13 states and three countries, supporting new job creation and creating resilient communities.

Renewable energy consumed	Unit	2019	2020	2021
Self-supply ¹	MWh	586	534	551
Physical power purchase agreements (PPA) ²	MWh	10,694	7,503	62,858
Total long-term commitments supporting new renewable energy assets ³	MWh	11,280	8,037	63,409
Unbundled Renewable Energy Certificates (RECs) ⁴	MWh	1,814,780	1,658,740	1,610,463
Total renewable energy purchased	MWh	1,826,060	1,666,777	1,673,872
Percent of consumed electricity as renewable	%	101	101	108
Total capacity from long-term agreements supporting new sources of renewable energy ⁵	MW	40	186	210

Notes

1. Self-supply is when a consumer generates and supplies their own electricity. Wells Fargo's self-supply refers to its on-site solar program.
2. Physical power purchase agreements are contracts for the purchase of power and associated Renewable Energy Certificates from a specific renewable energy generator (the seller) to a purchaser of renewable electricity (the buyer).
3. Wells Fargo met 100% of its electricity consumption with renewable energy, primarily from unbundled Renewable Energy Certificates beginning in 2017. Its goal is to transition to long-term agreements (defined as contracts with a duration of five years or longer) that directly support new sources of renewable energy. New sources of renewable energy are defined as assets where commercial operation was achieved no earlier than 12 months prior to contract execution.
4. Unbundled Renewable Energy Certificates are sold, delivered, or purchased separately from the electricity generated by the renewable resource.
5. This data includes cumulative new renewable energy generation capacity contracted by Wells Fargo. Some assets have not yet achieved commercial operation and are under construction.

Supplier engagement

Wells Fargo's [Supplier Code of Conduct \(PDF\)](#) outlines the company's expectation that suppliers not only comply with applicable laws, regulations, and contract terms, but also conduct themselves with the highest standards of ethical business practices, environmental stewardship, and community investment.

Integrating ESG into supplier selection and engagement ¹	Unit	2019	2020	2021
Suppliers invited to participate in CDP survey	# of suppliers	209	198	188
Supplier CDP survey participation	% participation	64	72	74
Responding suppliers who have self-reported science-based targets for Scope 1 and Scope 2 emissions	% of suppliers	33	35	47

Notes

1. Wells Fargo encourages its suppliers to demonstrate their commitment to environmental sustainability by participating in the CDP survey. The suppliers were selected to participate using a methodology that considered each supplier's spend, operational criticality to Wells Fargo, and whether the supplier is in a carbon-intensive industry. As a result, the majority of participating suppliers represent high spend and/or high criticality with many in high-carbon industries.



Social impact



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Supporting customers and communities

Wells Fargo focuses its social impact on building a sustainable, inclusive future for all by supporting financial health, housing affordability, and small business growth through employee volunteerism, strategic philanthropy, and products and services.

Philanthropy	Unit	2019	2020	2021
Total philanthropic giving (excluding Open for Business Fund)	USD (in millions)	455	390	280
Open for Business Fund	USD (in millions)	N/A	85	335

References
[Community impact map](#)

Wells Fargo donated nearly **\$615 million** in charitable contributions in 2021.

Financial health

An inclusive economy is one where everyone has a pathway to economic opportunity, including the financial knowledge, skills, and resources necessary to support themselves and their families. That’s why Wells Fargo is committed to providing a variety of [resources](#) and products designed to enable individuals to learn how to manage money responsibly, build and improve credit, plan and save for the future, and reach their financial goals. Examples of Wells Fargo’s commitment to support financial health include:

- [Hands on Banking[®]](#) is Wells Fargo’s free, noncommercial financial education program intended to teach money management skills for all life stages, where users can learn at their own pace. The program provides tools to help teachers, nonprofit financial counselors, and Wells Fargo employee volunteers deliver financial education in schools and communities.
- [The Smarter Credit[™] Center](#) includes resources to help customers understand, build, and improve credit, as well as manage debt and plan for large purchases.
- Through [CollegeSTEPS[®]](#), a website Wells Fargo created to help college students manage their money, students can access guidance and resources on topics such as paying for college, finding scholarships, understanding credit, managing money, and preparing for the next steps after college.

[†]Wells Fargo does not control this website. The link is provided for your convenience, but Wells Fargo does not endorse and is not responsible for the content, links, privacy policy, or security policy of this website.



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- [Wells Fargo AssistSM](#) offers a variety of options and support to customers facing financial hardship related to credit cards, home loans, loans, and other accounts.
- In 2021, Wells Fargo announced the [Banking Inclusion Initiative](#), a 10-year commitment to help unbanked individuals gain access to affordable, mainstream, digitally enabled transactional accounts — making financial education and advice accessible.
- For the LGBTQ community, financial planning whether simple or complex can come with a unique set of challenges. Wells Fargo's [LGBTQ Resource Center](#) provides valuable information, from everyday banking to starting a new business.
- Wells Fargo invested a total of \$50 million in 13 African American Minority Depository Institutions (MDIs). As part of the capital investment, the MDIs will have access to Wells Fargo expertise and assistance.
- As the exclusive sponsor of the Military Family Financial Readiness Council, led by the Military

Family Advisory Network, Wells Fargo is committed to empowering service members and veterans, as well as their families, to gain financial knowledge and skills that can help them manage all stages of life, from permanent change of station to deployment to retirement.

- A national alliance between Wells Fargo and Disability:IN provides continuing education opportunities for disability-owned business enterprises and service-disabled veteran disability-owned business enterprises.
- The [Wells Fargo Investment Institute \(WFII\)](#) provides education, guidance, and insights to inform investment decisions. The Wells Fargo Investment Institute's Social Impact Investing team specializes in managing sustainable and responsible investment portfolios for individuals and institutions. In 2021, a new client-specific ESG report was released, which utilizes vendor and proprietary data from the Global Manager Research team within Wealth and Investment Management, to provide ESG risk, product involvement, and carbon footprint data on client holdings.

- Wells Fargo is committed to older adult consumers. In collaboration with the Aging Client Services Center of Excellence (ACSCOE) within the Office of Consumer Practices, Wells Fargo is enhancing the financial protection of older and vulnerable adult customers by advising its lines of business on best practices for preventing, detecting, reporting, and responding to older and vulnerable adult financial exploitation. For example, the ACSCOE recently advised on a major Wells Fargo elder fraud education campaign, which included direct customer emails, messaging on account statements, ATM banner alerts, and narratives delivered through Wells Fargo Stories. Additional consumer education resources were provided and include: [Protecting those you love \(PDF\)](#), [Protecting older adults from fraud](#), and [How to recognize scams targeting older adults](#).
- Providing customers with free access to their FICO Score, as illustrated by the following table:

Customers accessing their FICO® Score	Unit	2019	2020	2021
Enabled customers to better manage their credit by providing free access to their FICO® Score ¹	# of customers (in millions)	9.2	10.8	11.3

Notes

1. Results represent distinct customers who actively viewed their FICO® Score in the stated calendar year.

Wells Fargo provides products and services that give our customers choice and flexibility in meeting their financial health needs, and tools to help manage their accounts. Online, mobile, and text banking tools allow customers to monitor account activity, transfer funds, and help avoid unexpected overdrafts. Services include automatic zero-balance alerts that notify online banking customers by email if their account balances drop to zero or below. See below for data related to digital and mobile active customers.

Expanding financial inclusion	Unit	2019	2020	2021
Digital (online and mobile) active customers ¹	# in millions	30.3	32.0	33.0
Mobile active customers ²	# in millions	24.4	26.0	27.3

Notes

- Digital active customers include all customers that have logged into a Wells Fargo Online platform in the last 90 days of a given year, including online, mobile, text banking, financial management software, tablet full site, and tablet app.
- Mobile active customers are all customers that have logged into Wells Fargo Online using a mobile device in the last 90 days of a given year.

Financial health philanthropy

Wells Fargo is also focused on improving the financial stability of low- and moderate-income communities through philanthropic programs that increase financial inclusion and access, reduce debt, drive savings and wealth-building behavior, and transform systems so people can achieve better financial outcomes in their lives.

The Wells Fargo Foundation's [Financial Capability Grant Program](#) helps people from diverse populations who are underbanked by connecting them to income support services and financial training. In 2021, program participants saved nearly \$18 million and reduced debt by roughly \$38.4 million, more than 27,300 participants established or improved their credit score, and more than 7,800 participants acquired a financial asset. Grantees include Cities for Financial Empowerment Fund, International Rescue Committee, Local Initiatives Support Corporation (LISC), National Association of Latino Community Asset Builders, Operation HOPE, and others. Additionally, grants expanded access to free, virtual financial coaching and counseling, direct cash assistance, and other financial resources to help people save money, reduce debt, and navigate other complex financial challenges.

In 2017, Wells Fargo pledged to create at least 250,000 new Black and African American homeowners in 10 years through lending \$60 billion for home purchases. Through the end of 2021, the company helped over 81,756 Black and African American families and individuals become homeowners with \$21.4 billion in mortgage financing.

In 2016, Wells Fargo committed to increasing Hispanic and Latino homeownership over 10 years through \$125 billion in home purchase loans. Through the end of 2021, the company helped 207,248 Hispanic and Latino families and individuals become homeowners through \$54.8 billion in mortgage financing.

Housing affordability solutions

Wells Fargo recognizes that there is a shortage of affordable housing for low- and moderate-income communities, and high housing costs have amplified growing economic inequities. In 2021, the company launched the [Wells Fargo Dream.Plan.Home.SM](#) mortgage, which offers a down payment as low as 3% to eligible buyers and supports approval of those with nontraditional credit.

In 2021, the company financed \$29.6 billion and \$7.8 billion for new purchase loans to serve over 58,000 minority households and over 38,000 low- and moderate-income households respectively.

Wells Fargo has a \$25 million total commitment to support Black and African American, Hispanic, and Latino homebuyers with financial education and counseling, with \$15 million committed to Black and African American homebuyers and \$10 million committed to Hispanic and Latino homebuyers. Through the end of 2021, more than \$11 million and \$9 million in funding have been provided in support of Black and African American homebuyers and Hispanic and Latino homebuyers respectively.



Housing affordability philanthropy

Wells Fargo's housing affordability philanthropic strategies are focused on keeping people in their homes, opening pathways to homeownership, increasing initiatives that drive supply of affordable homes, and advancing innovation and transformation. Wells Fargo's goal is to support solutions that allow people to have a quality and affordable place to call home. Since 2020, the company has helped keep more than 320,000 renters and homeowners in their homes through efforts focused on eviction and foreclosure prevention assistance, rental assistance, and financial counseling. Wells Fargo has also committed \$1 billion in philanthropy to supporting housing affordability solutions across the nation. Examples of Wells Fargo's housing affordability philanthropy initiatives include:

- Through the Wells Fargo Builds program, in collaboration with Habitat for Humanity and Rebuilding Together, Wells Fargo funded more than 482 home build projects across the U.S. in 2021. This funding of affordable and sustainable housing includes support for new home construction and repairs, helping older adults age in their homes, and neighborhood revitalization.
- Through Wells Fargo's [NeighborhoodLIFT®](#) program, the company collaborates with NeighborWorks® America and local nonprofits to support sustainable homeownership by delivering down payment assistance to low- and moderate-income homebuyers. This program supports individuals, both customers and noncustomers, in a number of communities throughout the U.S. While the LIFT program is focused on serving low- and moderate-income families regardless of race or ethnicity, the majority of LIFT homeowners represent those who identify as Black and African American, Indigenous, and people of color.

Serving small business

Small businesses are essential to a vibrant economy and for creating employment opportunities. Wells Fargo proudly serves over three million small business customers by putting the needs of customers front and center, innovating experience through digital enhancements, and evolving its support model to deepen relationships. Wells Fargo's goal is to be the bank of choice for all small businesses, with a strong emphasis on supporting the needs faced by diverse and women-owned small business owners. Wells Fargo has established a number of initiatives, tools, and programs to support small businesses to help them go from surviving to thriving.

Wells Fargo has provided approximately 282,000 Paycheck Protection Program (PPP) loans through its 2020 and 2021 lending to support small businesses navigating the COVID-19 pandemic. Total lending was nearly \$14 billion helping keep 1,739,000 Americans employed. The average loan amount for customers was \$50,000, the lowest among all of the participating large financial institutions, and 42% of loans were for small businesses in low-to-moderate income neighborhoods, or those historically underserved, bringing funding to places where it could make the biggest impact.

Small business growth philanthropy

Wells Fargo continues to deepen its commitment to small business growth through supporting innovative nonprofit programs aimed at providing entrepreneurs with increased access to affordable sources of capital and training so businesses can grow, build assets, and create local jobs.

Wells Fargo established the Open for Business Fund in 2020 by voluntarily donating all gross processing fees from PPP loans made in 2020



to provide grants for Community Development Financial Institutions (CDFIs) and other nonprofit organizations that provide capital and technical support to diverse-owned small businesses. In 2021, Wells Fargo fulfilled its roughly \$420 million Open for Business Fund commitment to support an inclusive economic recovery for small businesses impacted by the COVID-19 pandemic. Through the Open for Business Fund, from 2020 through the end of 2021, grants were awarded to more than 235 CDFIs and nonprofits, which are estimated to serve more than 152,000 small businesses and preserve or create more than 255,000 jobs. Roughly 85% of small businesses served are projected to be those hardest hit by the pandemic, including Black and African American, Hispanic, Native American, and Asian American-owned small businesses.

Environmental

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Open for Business Fund	Unit	2020	2021
Open for Business Fund ^{1,2,3}	# of awards funded	51	223
	USD (in millions)	85	335
	# of jobs	36,340	222,560
	# of small businesses	12,580	139,450
Awardees with women, veterans, and those who self-identify as LGBTQ leaders ⁴	% of awardees	53	48
Awardees with women leaders ⁴	% of awardees	39	44
Awardees with Black, African American, Hispanic, Latino, Native American, Alaskan Native, Asian, Native Hawaiian, Pacific Islander or multi-racial leaders ⁴	% of awardees	45	51

Notes

1. The number of awards funded includes only direct grants given to CDFIs/nonprofit organizations. An organization may have received more than one award and may be included in more than one of these totals.
2. The number of jobs preserved/created and the number of small businesses served are projected impact numbers.
3. In 2021, an updated process for tracking projected jobs created/preserved and projected small businesses served was implemented, relying on grantee data. This resulted in changes in figures for prior years.
4. The leader percentage is representative of the CEO or Executive Director of the CDFI/nonprofit organization on the date they applied for the Open for Business Fund.

The [Wells Fargo Diverse Community Capital \(DCC\)](#) program is a multi-year \$175 million program to empower diverse small business owners with access to capital and technical assistance by teaming up with CDFIs to support borrowers in all 50 states; Washington, D.C.; and Puerto Rico. The program's CDFI awardees leveraged Diverse Community Capital funds to provide \$2.9 billion in financing and 2.6 million hours of technical assistance, enabling entrepreneurs to sustain more than 369,000 jobs. In 2021, Wells Fargo reached full funding of the \$175 million program commitment.

Diverse Community Capital	Unit	2019	2020	2021
Diverse Community Capital (DCC) Program — grant capital awards ^{1,2}	USD (in millions)	23.6	28.2	0
	# of CDFIs	27	34	0
DCC Program — debt capital awards ¹	USD (in millions)	2.8	19.1	12.0
	# of CDFIs	4	7	3
Total DCC capital provided	USD (in millions)	26.4	47.3	12.0
Jobs created/retained by diverse small businesses ³	# of jobs	91,324	100,497	75,403
Technical assistance provided to diverse small businesses ³	# of hours	1,621,159	546,565	216,901
Amount financed to diverse small businesses by CDFIs receiving a DCC award ³	USD (in millions)	858.3	681.2	693.0
Loans to diverse small businesses by CDFIs receiving a DCC award ³	# of loans	108,444	91,316	113,292

Notes

1. All CDFIs that received debt capital also received DCC philanthropic grant awards.
2. The 2020 results represent previously committed DCC awards and resources that were redeployed to support some DCC awardees serving small businesses located in COVID-19 hotspots.
3. Results reflect impact from only the Capacity Building portion of the program.

Wells Fargo additionally established an initiative called [Connect to MoreSM](#) to support the development and growth of women-owned businesses by providing access to expertise and specialized resources.

In collaboration with Community Reinvestment Fund, USA, Wells Fargo launched the Small Business Resource Navigator, an online portal helping connect small business owners to potential financing options and technical assistance through Community Development Financial Institutions (CDFIs) across the country. Since the launch, the Small Business Resource Navigator has connected millions of dollars in credit requests from underrepresented small business owners to CDFIs.



Corporate and commercial customers

Wells Fargo strives to support its corporate and commercial customers as they seek financial solutions to execute their long-term resiliency, social impact, and sustainability objectives. In 2021, Wells Fargo deployed more than \$60 billion in sustainable financing with more than 80% of that in support of corporate customers' environmental and social activities. Wells Fargo is a leading sustainability-linked loan provider helping customers finance both environmental and social-related activities across a range of industry segments and products in lending and capital markets.

The Renewable Energy & Environmental Finance (REEF) team at Wells Fargo has invested more than \$13.2 billion in ~600 wind, solar, and fuel cell projects across the U.S., providing financing to ~12% of utility-scale wind and solar capacity additions between 2005 and 2021.

In 2021, Wells Fargo issued an Inclusive Communities and Climate Bond, its first sustainability bond, which funded projects and programs that support housing affordability, socioeconomic opportunity, and renewable energy. The transaction built on Wells Fargo's expertise in, and history of, underwriting green, social, and sustainability bonds, and advances the company's commitment to accelerate a more inclusive and sustainable economy.

[Wells Fargo's Sustainability Bond Framework \(PDF\)](#) is available on the company website. Sustainalytics, an external firm with expertise in ESG and sustainability, reviewed this Framework and issued a [Second Party Opinion \(PDF\)](#)[†], which found it to be "credible and impactful," aligned with the Sustainability Bond Guidelines 2018, Green Bond Principles 2018, and Social Bond Principles 2020.

[†]Wells Fargo does not control this website. The link is provided for your convenience, but Wells Fargo does not endorse and is not responsible for the content, links, privacy policy, or security policy of this website.

Climate-aligned philanthropy: The Wells Fargo Innovation Incubator

Wells Fargo supports clean technology innovation and entrepreneurship through strategic philanthropy and community partnerships. [The Wells Fargo Innovation Incubator \(IN²\)](#) is a \$50 million collaboration with the United States Department of Energy’s National Renewable Energy Laboratory (NREL) that aims to speed the path to market for technology startups focused on sustainability and resiliency in the built environment (i.e., man-made environment), as well as sustainable agriculture.

Wells Fargo Innovation Incubator (IN ²)	Unit	2019	2020	2021
Grant dollars awarded	USD	1,295,000	3,119,457	1,971,000
Organizations supported	# of	43	74	23



Environmental

Social

Governance

Employee volunteerism and impact

Wells Fargo is proud of the passion and generosity of its employees, who multiply the company's community impact through the investment of their time, energy, and resources to their respective communities. To help encourage this commitment, Wells Fargo provides eligible employees with up to 16 hours of paid volunteer time every year to serve local communities where they live and work. Employees are encouraged to use their talents to get involved in causes they care about.

Wells Fargo provides eligible employees with up to 16 hours of paid volunteer time every year to serve local communities where they live and work.

2021 highlights include:

- The Global Fellows program provides Wells Fargo employees a unique opportunity to donate their time and professional skills in support of charities inside and outside of the U.S. In 2021, the program doubled the number of projects and employees participating compared to the previous year. Additionally, the program expanded its partners to include national grant funded organizations in the U.S. that are aligned with the Wells Fargo Foundation's strategic priorities.
- The Community Care Grants program recognizes Wells Fargo employees for their giving and service activities. Through personal giving or service activities, employees may qualify for up to \$2,000 in Community Care Grants per year for their favorite eligible charities through volunteering, giving, and leadership.
- Nearly 4,500 charities benefited from Wells Fargo employees sharing their time and leadership skills by serving as nonprofit board members, making a meaningful impact in the communities where they live and work.



Environmental

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Employee service and impact	Unit	2019	2020	2021
Employee volunteer hours ¹	# of hours (in millions)	1.9	0.6	0.6
Global employee participation in volunteer activities ^{1,2}	# of employees	102,463	26,951	19,182
	% of employees	37.8	10.1	7.0
Employee giving ³	USD (in millions)	53.0	15.8	15.3

Notes

1. Wells Fargo's COVID-19 safety protocols prohibited in-person, Wells Fargo-sponsored group volunteerism throughout 2020 and 2021. Employees volunteered virtually and in their individual capacity.
2. Employee participation percentage is based on the total number of active, global employees in Wells Fargo's workforce as shown in the [Employees](#) section.
3. In 2020, Wells Fargo transitioned from an annual giving campaign to year-round giving campaigns, allowing employees more flexibility when determining how and when they want to support nonprofits. This adjustment impacted programming and how employees log personal financial commitments in the company's Community Care Portal. The 2020 and 2021 results reflect employee giving that occurred in the Community Care Portal throughout the respective fiscal years.

Diversity, equity, and inclusion

Wells Fargo is dedicated to diversity, equity, and inclusion with a belief that companies should have their executive ranks reflect the customers they serve and the U.S. population more broadly. The company also believes financial institutions should strive to provide affordable, easy-to-use products and services, enable the dream of homeownership, and help in the formation and growth of small businesses in all communities. In addition to focusing on diversity across the company's workforce, Wells Fargo supports strategic opportunities that include diverse suppliers in competitive sourcing and procurement opportunities within our supply chain. In 2022, Wells Fargo released its inaugural [Diversity, Equity, and Inclusion \(DE&I\) report \(PDF\)](#), providing important updates on our efforts in this space.

In connection with its diversity initiatives, Wells Fargo voluntarily requests that its employees and Board members self-identify their gender. The following tables present self-identification data covering both U.S. and global employees.

U.S. employees by gender ^{1,2}		Unit	2019	2020	2021
Female	%		57	56	56
Male	%		43	44	44

Global employees by gender ^{1,2}		Unit	2019	2020	2021
Female	%		55	54	53
Male	%		45	46	47

Notes

1. Data is based on active employee headcount as of Dec. 31 for each calendar year.
2. Numbers may differ from other Wells Fargo reports that count employees based on full-time equivalent methodology.

Global employees by gender and internal HR levels ^{1,2}	Unit	2020		2021	
		Levels 2-4 down from CEO	Levels 5-6 down from CEO	Levels 2-4 down from CEO	Levels 5-6 down from CEO
Female	%	40	40	45	40
Male	%	60	60	55	60

Notes

1. Results represent individuals in leader roles as defined by Wells Fargo's Human Resources team as of Dec. 31 for each calendar year.
2. Wells Fargo's internal Human Resources level data does not directly correlate to U.S. Equal Employment Opportunity Commission (EEOC) job category data.

U.S. employees who self-identify as	Unit	2019	2020	2021
Having a disability ¹	# of employees	10,438	15,351	16,888
	% of employees	4.3	6.5	7.9
LGBTQ	# of employees	5,653	6,349	6,084
Veterans	# of employees	8,745	8,959	8,072

Notes

1. Section 503 of the Rehabilitation Act of 1973 regulations establish a representation goal of 7% for individuals with disabilities. Wells Fargo's objective is that 7% of U.S. employees fall within this diverse segment via ongoing Affirmative Action, Equal Employment Opportunity, and Diversity Programs.

The following tables reflect information contained in EEO-1 reports filed for Wells Fargo.

U.S. employees by gender and specific EEOC job category^{1,2,3,4}

Job category	Unit	2020			2021		
		Female	Male	Total	Female	Male	Total
Executive/senior-level officials and managers	# of employees	48	98	146	269	419	688
First/mid-level officials and managers	# of employees	17,102	15,421	32,523	14,283	12,820	27,103
Professionals	# of employees	35,724	46,313	82,037	34,321	44,179	78,500
Technicians	# of employees	654	605	1,259	558	524	1,082
Sales workers	# of employees	3,084	4,250	7,334	3,481	4,944	8,425
Administrative support workers	# of employees	77,623	37,668	115,291	65,757	30,519	96,276
Operatives ¹	# of employees	0	0	0	0	0	0
Service workers	# of employees	6	13	19	6	11	17
Total	# of employees	134,241	104,368	238,609	118,675	93,416	212,091

Notes:

1. Data reflects Wells Fargo's U.S. employees aligned to job categories as outlined by the U.S. EEOC job category definitions. EEO job categories have been omitted from the report where Wells Fargo did not have jobs aligned to these categories for a given reporting year.
2. Year-over-year fluctuation in job category totals may be attributed to realignment of jobs into EEO job categories, hiring, attrition, and employee movement within Wells Fargo.
3. Data is derived from actual Consolidated EEO-1 numbers from the respective reporting years, which typically reflects Wells Fargo's U.S. employee population as of Dec. 31 of each calendar year.
4. Numbers may differ from other Wells Fargo reports that count employees based on full-time equivalent methodology. Relevant EEO workforce data is compiled using data from Human Resources information system and reflects Wells Fargo U.S. workforce numbers only.

U.S. employees who self-identify within each race/ethnicity category and held a job in the specific EEOC job category^{1,2,3,4}

Job Category	Year	Caucasian/ White	Hispanic/ Latino	Black/ African American	Native Hawaiian/ Other Pacific Islander	Asian	American Indian/ Alaskan Native	Two or more races	Total
Executive/senior-level officials and managers	2021	487	25	43	0	118	5	10	688
	2020	121	3	8	0	12	2	0	146
First/mid-level officials and managers	2021	16,609	4,529	2,702	76	2,365	106	716	27,103
	2020	20,510	5,218	3,031	84	2,732	143	805	32,523
Professionals	2021	51,890	5,042	6,735	132	12,515	242	1,944	78,500
	2020	55,503	5,177	6,761	125	12,268	262	1,941	82,037
Technicians	2021	729	71	89	3	153	5	32	1,082
	2020	852	71	105	4	192	5	30	1,259
Sales workers	2021	5,459	1,332	528	28	771	29	278	8,425
	2020	4,899	1,070	410	20	677	22	236	7,334
Administrative support workers	2021	41,903	24,434	17,973	398	6,928	606	4,034	96,276
	2020	49,774	29,830	21,506	491	8,204	693	4,793	115,291
Operatives ¹	2021	0	0	0	0	0	0	0	0
	2020	0	0	0	0	0	0	0	0
Service workers	2021	3	1	11	0	0	1	1	17
	2020	3	1	14	0	0	1	0	19
Total	2021	117,080	35,434	28,081	637	22,850	994	7,015	212,091
	2020	131,662	41,370	31,835	724	24,085	1,128	7,805	238,609

Notes

1. Data reflects Wells Fargo's U.S. employees aligned to job categories as outlined by the U.S. Equal Employment Opportunity Commission (EEOC) job category definitions. EEO job categories have been omitted from the report where Wells Fargo did not have jobs aligned to these categories for a given reporting year.
2. Year-over-year fluctuation in job category totals may be attributed to realignment of jobs into EEO job categories, hiring, attrition, and employee movement within Wells Fargo.
3. Data is derived from actual Consolidated EEO-1 numbers from the respective reporting years, which typically reflects Wells Fargo's U.S. employee population as of Dec. 31 of each calendar year.
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Environmental

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U.S. female employees who self-identify within each race/ethnicity category and held a job in the specific EEOC job category^{1,2,3,4}

Job Category	Year	Caucasian/ White	Hispanic/ Latino	Black/ African American	Native Hawaiian/ Other Pacific Islander	Asian	American Indian/ Alaskan Native	Two or more races	Total
Executive/senior-level officials and managers	2021	188	11	27	0	38	2	3	269
	2020	40	1	3	0	4	0	0	48
First/mid-level officials and managers	2021	8,073	2,886	1,736	37	1,072	70	409	14,283
	2020	9,943	3,341	1,959	44	1,270	91	454	17,102
Professionals	2021	21,304	2,467	3,944	71	5,591	106	838	34,321
	2020	22,614	2,508	4,023	67	5,554	112	846	35,724
Technicians	2021	365	39	53	3	80	5	13	558
	2020	439	40	60	4	95	5	11	654
Sales workers	2021	2,074	597	232	17	422	12	127	3,481
	2020	1,893	482	185	14	371	10	129	3,084
Administrative support workers	2021	27,308	16,915	13,403	289	4,724	445	2,673	65,757
	2020	32,111	20,299	15,741	355	5,475	503	3,139	77,623
Operatives ¹	2021	0	0	0	0	0	0	0	0
	2020	0	0	0	0	0	0	0	0
Service workers	2021	0	1	4	0	0	1	0	6
	2020	0	1	4	0	0	1	0	6
Total	2021	59,312	22,916	19,399	417	11,927	641	4,063	118,675
	2020	67,040	26,672	21,975	484	12,769	722	4,579	134,241

Notes

1. Data reflects Wells Fargo's U.S. employees aligned to job categories as outlined by the U.S. EEOC job category definitions. EEO job categories have been omitted from the report where Wells Fargo did not have jobs aligned to these categories for a given reporting year.
2. Year-over-year fluctuation in job category totals may be attributed to realignment of jobs into EEO job categories, hiring, attrition, and employee movement within Wells Fargo.
3. Data is derived from actual Consolidated EEO-1 numbers from the respective reporting years, which typically reflects Wells Fargo's U.S. employee population as of Dec. 31 of each calendar year.
4. Numbers may differ from other Wells Fargo reports that count employees based on full-time equivalent methodology. Relevant EEO workforce data is compiled using data from HR information system and reflects Wells Fargo U.S. workforce numbers only.

Environmental

Social

Governance

U.S. male employees who self-identify within each race/ethnicity category and held a job in the specific EEOC job category^{1,2,3,4}

Job Category	Year	Caucasian/ White	Hispanic/ Latino	Black/ African American	Native Hawaiian/ Other Pacific Islander	Asian	American Indian/ Alaskan Native	Two or more races	Total
Executive/senior-level officials and managers	2021	299	14	16	0	80	3	7	419
	2020	81	2	5	0	8	2	0	98
First/mid-level officials and managers	2021	8,536	1,643	966	39	1,293	36	307	12,820
	2020	10,567	1,877	1,072	40	1,462	52	351	15,421
Professionals	2021	30,586	2,575	2,791	61	6,924	136	1,106	44,179
	2020	32,889	2,669	2,738	58	6,714	150	1,095	46,313
Technicians	2021	364	32	36	0	73	0	19	524
	2020	413	31	45	0	97	0	19	605
Sales workers	2021	3,385	735	296	11	349	17	151	4,944
	2020	3,006	588	225	6	306	12	107	4,250
Administrative support workers	2021	14,595	7,519	4,570	109	2,204	161	1,361	30,519
	2020	17,663	9,531	5,765	136	2,729	190	1,654	37,668
Operatives ¹	2021	0	0	0	0	0	0	0	0
	2020	0	0	0	0	0	0	0	0
Service workers	2021	3	0	7	0	0	0	1	11
	2020	3	0	10	0	0	0	0	13
Total	2021	57,768	12,518	8,682	220	10,923	353	2,952	93,416
	2020	64,622	14,698	9,860	240	11,316	406	3,226	104,368

Notes

1. Data reflects Wells Fargo's U.S. employees aligned to job categories as outlined by the U.S. Equal Employment Opportunity Commission (EEOC) job category definitions. EEO job categories have been omitted from the report where Wells Fargo did not have jobs aligned to these categories for a given reporting year.
2. Year-over-year fluctuation in job category totals may be attributed to realignment of jobs into EEO job categories, hiring, attrition, and employee movement within Wells Fargo.
3. Data is derived from actual Consolidated EEO-1 numbers from the respective reporting years, which typically reflects Wells Fargo's U.S. employee population as of Dec. 31 of each calendar year.
4. Numbers may differ from other Wells Fargo reports that count employees based on full-time equivalent methodology. Relevant EEO workforce data is compiled using data from HR information system and reflects Wells Fargo U.S. workforce numbers only.

Environmental

Social

Governance

Employee Resource Networks

Wells Fargo's [Employee Resource Networks](#) (ERNs) are open to all employees and are organized by employees connected by a shared background, experience, or other affinity. They were formed to elevate and increase visibility to historically underrepresented groups. With Wells Fargo's support, ERNs are focused on professional growth and education, community outreach, recruiting and retention, business development, and customer insight. There are approximately 65,624 memberships across Wells Fargo's Employee Resource Networks.



Environmental

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Employees

Wells Fargo is committed to being an employer of choice — a company where people matter; teamwork is rewarded; everyone feels respected and empowered to speak up; diversity, equity, and inclusion are embraced; and how work gets done is just as important as getting the work done.

Culture

Wells Fargo is committed to a culture that attracts and retains the best people who help it become a better, stronger company. The company's culture is reinforced by a customer-centric focus, employee engagement and feedback, and expectations that guide how employees conduct themselves, work with customers and colleagues, and make decisions.

Company expectations are part of the culture — from how employees develop and communicate, to how Wells Fargo evaluates performance and service of its customers and stakeholders.



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Wells Fargo continues to refine its culture, instilling efficiency and effectiveness throughout, leveraging employee feedback to enhance the employee experience and drive improvements. Throughout the year, employees are invited to share their thoughts through surveys, town halls, and other means. Wells Fargo launched a new company-wide employee feedback platform called Loudspeaker at the end of 2021. Employees have submitted thousands of ideas, some of which have been implemented, leading to efficiencies, innovation, and employee engagement.

Competitive compensation

Wells Fargo's compensation program is linked to performance management and is designed to promote prudent risk management and reinforce its culture and operating standards:

The compensation principles include:

-  **Pay for performance:** Compensation is linked to company, line of business, and individual performance, including meeting regulatory expectations and creating long-term value consistent with the interests of shareholders.
-  **Promote effective risk management:** Compensation promotes effective risk management and discourages imprudent or excessive risk-taking.
-  **Attract and retain talent:** People are one of Wells Fargo's competitive advantages; therefore, compensation helps attract, motivate, and retain people with the skills, talent, and experience to drive superior long-term company performance.

The company is committed to providing fair, competitive, and equitable compensation. In November 2021, Wells Fargo announced an increase in its U.S. minimum hourly base pay in the majority of its markets. The minimum hourly pay range in the U.S. is \$18 to \$22, based on the cost of labor in each Wells Fargo market.

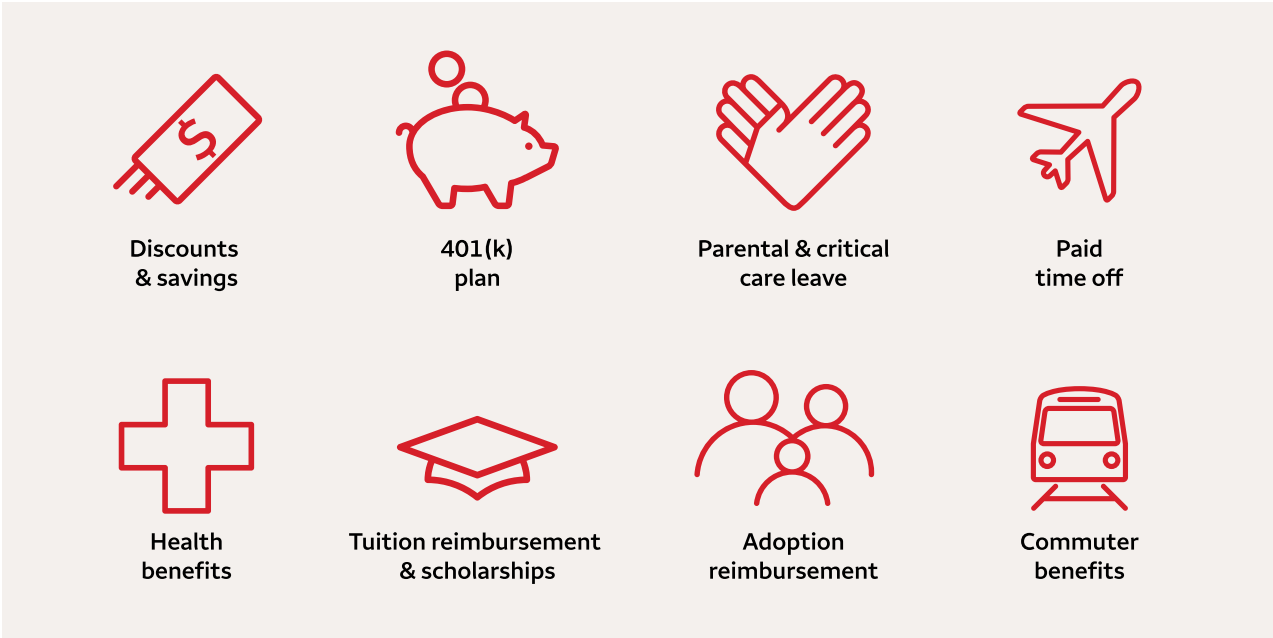
Pay equity review

Wells Fargo is committed to fair and equitable compensation practices, and we regularly review our compensation programs and practices for pay equity. Each year, the company engages a third-party consultant to conduct a thorough pay equity review of employee compensation, which considers gender, race, and ethnicity. The results of the 2021 review, after accounting for factors such as role, tenure, and geography, show that women at Wells Fargo continued to earn more than 99 cents for every \$1 earned by their male peers. In addition, U.S. employees of color continue to earn more than 99 cents for every \$1 earned by white peers. The results of Wells Fargo's most recent pay equity analysis and relevant commentary are available in the company's 2022 Proxy Statement.

Benefits

Wells Fargo provides eligible regular and part-time employees with a [comprehensive set of benefits](#) designed to protect their physical and financial health and to help them make the most of their financial future. It also provides employees with a variety of competitive employer-paid financial protection benefits including life insurance, critical illness insurance, short-term and long-term disability coverage, and business travel accident insurance. In many countries, Wells Fargo also provides additional top-up plans and flexible benefits options, such as personal accident coverage.

Employees may also participate in a stock purchase plan and take advantage of discounts on financial products, home mortgages, and more.



Behavioral health support

In addition to the mental health management benefits included in Wells Fargo’s health plans, Employee Assistance Consulting (EAC) is a global resource that helps employees and their household members through difficult times.

Confidential individual consultations and referrals are available for personal and work-related concerns, including anxiety and depression, alcohol and drug use, stress management, relationship problems, grief and loss, and financial difficulties. Support is also available to employees affected by robberies, threats, domestic violence, disasters, and critical incidents.

We Care Fund

The company's internal We Care Fund additionally grants emergency aid to employees facing disasters and other severe financial hardships. This employee relief program is funded by Wells Fargo and employees who want to help colleagues in need.

Employee service and impact	Unit	2019	2020	2021
We Care Fund - dollars awarded ¹	USD (in millions)	5.6	27.2	1.2
We Care Fund - grants awarded ¹	# of grants	2,550	23,098	1,506

Notes
 1. The We Care Fund, a Wells Fargo employee relief fund, grants emergency aid to employees facing disasters and other severe financial hardships.

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Work-life programs and the COVID-19 pandemic

Wells Fargo offers many benefits, programs, and work arrangements intended to provide employees with flexibility and work-life balance. During the COVID-19 pandemic, close to 100,000 Wells Fargo employees never left the workplace to ensure customers received the services and support they needed. Others transitioned to working from home. In March 2022, Wells Fargo began its Return to Office program for employees who had not been working from Wells Fargo offices during the pandemic.

Wells Fargo believes its success depends on becoming increasingly collaborative and innovative



Wells Fargo believes its success depends on becoming increasingly collaborative and innovative. The company benefits from employees seeing each other on a regular basis. When together, it is easier to build relationships, get in-the-moment coaching, identify career opportunities, and brainstorm ideas. Ultimately, when employees work together they learn more about the customers and communities the company serves and how to serve them better. With this in mind, Wells Fargo's approach emphasizes spending time together in the office, and also provides flexible work options for employees in certain jobs.

The company's expectation for employees working in a Wells Fargo location are based on what makes sense for different roles. For example, employees in customer-facing roles in branches, advisor locations, and other customer-facing locations, have been in the workplace for most of the COVID-19 pandemic. Employees in non-customer-facing support teams are primarily office-based, with flexibility. In practice, this may mean flexibility to have up to two days a week of remote work, and spending a minimum of three days a week in the office. Expectations for other roles, including operations, technology, and non-U.S. based employees, vary by business need. Wells Fargo understands the challenges faced during the pandemic and continues to look for ways to offer flexibility to more employees, while moving to an increasingly collaborative and innovative culture.

The company continues to monitor the COVID-19 situation and will make adjustments as necessary. The health and safety of employees and customers has been our top priority and has guided planning efforts. All employees globally may take up to four hours of paid time away for each vaccine appointment (including boosters). U.S. employees are additionally eligible to receive free COVID-19 test kits from Wells Fargo or through their medical plan, at no additional cost.

Employee training and development

Wells Fargo invests heavily in coaching and training for employees and managers because when our employees are properly supported, engaged, and confident in their skills, they're more effective leaders and can provide a better customer experience. The company invests approximately \$200 million annually in employee learning and development, which includes functional training, regulatory compliance, leadership and professional development, and early talent development programs for employees.

Training and development	Unit	2019	2020	2021
Total annual investment in employee learning and development	USD (in millions)	~250	~200	~204
Annual investment in employee learning and development per employee ¹	USD	~975	~793	~704
Average hours per employee of learning and development time ¹	# of hours	44.0	51.0	44.0
Employee completion of Diversity and inclusion 1: Foundations ²	% of employees	Not available	69.0	77.0
Employee completion of Diversity and inclusion 2: Understanding unconscious bias ²	% of employees	Not available	83.0	88.0
Employee completion of trainings which contain a focus on discrimination and other topics related to human rights ³	% of employees	99.9	99.5	99.0
Employee completion of Information Security training ⁴	% of employees	100.0	99.1	100.0
Employee completion of Anti-Harassment and Discrimination training ⁵	% of employees	100.0	99.4	96.0

Notes

1. Data is based on the number of active, full-time equivalent employees.
2. All employees are offered training on diversity, equity, and inclusion. Completion is voluntary. The training courses were updated and released to employees in November 2019, and thus results for these courses are not available for 2019.
3. This training includes the company's safety training, which covers topics such as emergency response and a violence-free workplace and is assigned to all employees.
4. This training is assigned to all Wells Fargo employees.
5. This training is assigned to all U.S. employees.

In 2021, the Learning and Development team continued to support training virtually in response to COVID-19, and the company continues to implement enhancements to training programs to support more flexible delivery. Wells Fargo received five industry awards in 2021 in recognition of training excellence, including awards for programs in branch banking, small business, technology, and credit.

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Leadership and professional development

Wells Fargo's leadership development training program contributes to the success of participating employees by partnering with them to drive learning that is strategic and effective. It is the company's mission to contribute to the growth and profitability of Wells Fargo by providing employees with the tools and training necessary for job excellence and career advancement.

Leadership training opportunities are provided through such programs as Leading Through Change and Transition, Extraordinary Leader, Coaching and Feedback in the Moment, and Crucial Conversations.

Employment impacts

As Wells Fargo continues transforming its businesses, the company recognizes that employees may be impacted, and strives to provide transparent communication so that employees are aware of the programs and opportunities available to support them.

In some cases, restructurings result in employee displacements or involuntary separations as a result of economic or operational factors. In the event of a workforce restructuring involving displacements in the U.S., Wells Fargo supports its employees and provides tools to assist them with career transitions, including:

- Wells Fargo's Displacement policy requires that all displaced employees in the U.S. are provided a 60-day notice period, unless otherwise required by business needs or federal, state, or local laws. Regardless of working or nonworking status, employees are still considered actively employed during the entire notice period.
- Employees are eligible for eight to 52 weeks of severance pay, based on years of service.

- Wells Fargo offers displaced employees Career Transition Services through an external vendor.
- Employees and their household family members can seek free, voluntary, confidential consultation and support for any concerns and challenges with Employee Assistance Consulting (EAC), a team of behavioral health professionals.



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In countries where Wells Fargo operates outside of the U.S., the practices of managing redundancies or displacements, and workforce restructuring, vary based on legal and regulatory requirements, and local market practices. International support may include enhanced severance pay arrangements, employee assistance programs, and career transition services.

Employee safety and health

Wells Fargo recognizes the importance of providing a safe and healthy environment for employees, customers, and others who are on its premises. The company designed and implemented programs to help reduce the frequency and severity of injuries and illnesses. Wells Fargo also makes special accommodations available to help injured employees return to work when they are able.

Wells Fargo is required to comply with applicable facility-related, legally mandated standards for workplace safety and health in the countries and communities in which it operates. Employees are responsible for following safe work practices and for reporting any unsafe working conditions.

Newly hired employees are expected to complete safety and health training, and certain employee groups have quarterly refresher training requirements. Additionally, it is expected that managers provide training on job-specific hazards at the time of an employee's initial assignment and to provide retraining whenever:

- New substances, processes, procedures, or equipment are introduced into the workplace that represent a new hazard.
- The manager is made aware of a new or previously unrecognized safety or health hazard.
- An employee is given a new job assignment and has not received training for that assignment.

Given the nature of Wells Fargo's business, cumulative trauma injuries, which are injuries that occur as a result of repetitive activity, and those resulting from slips, trips, and falls, are the most common workplace injuries. Training and awareness resources on these and other topics are accessible for all employees internally via the company's intranet. At some locations where cumulative trauma injuries could have higher frequency rates, the Site Ergonomic Coordinator Program provides access to on-site Wells Fargo employees trained in hazard identification and basic office ergonomics. Emergency Response and Violence-Free Workplace training is also provided on an annual basis.

Addressing harassment in the workplace

Harassment is against Wells Fargo policy, may violate the law, and will not be tolerated in the workplace or at work-related events. The company prohibits any form of harassment, including sexual harassment, of any employee, contingent resource, vendor, employment applicant, or customer on the basis of an individual's race, color, gender, national origin, religion, age, sexual orientation, gender identity, gender expression, genetic information, physical or mental disability, pregnancy, marital status, hairstyles or hair texture, status as a protected veteran, or any other status protected by federal, state, or local law in the U.S.

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Corporate governance and ethics



Wells Fargo's Board of Directors is committed to sound and effective corporate governance practices.

Execution of Wells Fargo's sustainability initiatives is coordinated by the Public Affairs team, including groups such as: Sustainability, Social Impact, Communications and Brand Management, and Government Relations and Public Policy, in partnership with businesses and functions across the company. Various management councils and committees provide senior leadership steering and challenge, with formal governance provided by the company's risk and control committees. At the Board level, the [Governance and Nominating Committee \(PDF\)](#) is responsible for overseeing the Company's corporate governance practices, and the [Corporate Responsibility Committee \(PDF\)](#) provides primary oversight for significant strategies, policies, and programs related to social and public responsibility.

Board of Directors

The Board remains focused on regular enhancement of its composition, oversight, and governance practices, and on Board succession planning to enable it to continue to oversee the company and its business effectively.

Wells Fargo's Board has adopted [Corporate Governance Guidelines \(PDF\)](#), which provide the framework for the governance of the Board and the company, including maintaining the independence of a significant majority of the directors on the Board, and all members of the Audit, Governance and Nominating, Human Resources, and Risk Committees. Additionally, the Board adopted the Director Independence Standards, which are appended to the Corporate Governance Guidelines. These Director Independence Standards consist of the New York Stock Exchange's "bright line" standards of independence, as well as additional standards.

Over the past few years, the Board has undergone significant refreshment to enhance the financial services, regulatory, financial reporting, business operations, and corporate governance skills and experiences represented on the Board. The Board's current composition is a result of a thoughtful process informed by the Board's own evaluation of its composition and effectiveness, and feedback received from shareholders and other stakeholders.

Board diversity ¹	Unit	2020	2021	2022
Executive directors ²	# of directors	1	1	1
Independent directors ³	# of directors (%)	11 of 12 (92)	11 of 12 (92)	13 of 14 (93)
Total number of directors ³	# of directors	12	12	14
Average tenure of independent directors	# of years	2.6	2.4	3.5
Women on Board of Directors	# of directors (%)	3 of 12 (25)	3 of 12 (25)	5 of 14 (36)
Racial/ethnic diversity on Board of Directors	# of directors (%)	3 of 12 (25)	3 of 12 (25)	4 of 14 (29)
Directors with ESG qualifications/experience	# of directors (%)	1 of 12 (8)	1 of 12 (8)	4 of 14 (29)
Directors with financial services risk expertise	# of directors (%)	5 of 12 (42)	5 of 12 (42)	6 of 14 (43)

Notes

1. Data regarding board diversity relates to directors included in Wells Fargo & Company's Proxy Statement for the respective year.
2. Executive directors are employees of the company serving in an executive function (for example, CEO) who also serve on its Board of Directors.
3. Independent directors are determined under the company's Director Independence Standards, which are appended to the company's Corporate Governance Guidelines. These Director Independence Standards consist of the NYSE's "bright line" standards of independence, as well as additional standards known as categorical standards of independence, adopted by the company's Board of Directors.

References

[Corporate Governance Guidelines \(PDF\)](#)

Executive compensation

The Board plays an important role in overseeing the company's performance management and incentive compensation programs through its Human Resources Committee (HRC). Among other responsibilities, the HRC approves the company's compensation philosophy and principles, and oversees executive compensation, human capital risk, and human capital management.

Executive compensation	Unit	2019	2020	2021
Annualized total CEO compensation ¹	USD	36,288,490	20,392,046	21,350,906
Median employee annual total compensation (excluding CEO) ²	USD	65,931	74,416	73,578
Pay ratio ^{1,3}		550:01	274:01	290:1

Notes

1. The annualized total CEO compensation is equal to the CEO's compensation as reported in the Summary Compensation Table. For 2019, CEO Charlie Scharf's reported compensation included a one-time award of restricted share rights with a grant date fair value of \$28,788,490 granted in connection with his hire.
2. The methodology for determining median employee annual total compensation is set forth in Wells Fargo's Proxy Statement.
3. Pay ratio is the annual total CEO compensation divided by the median employee annual total compensation.

Code of Ethics and Business Conduct

The [Wells Fargo Code of Ethics and Business Conduct \(PDF\)](#) provides guidance on the ethical behavior expected of all employees and Board members. The Code reinforces Wells Fargo's commitment to always do what's right by its customers, employees, communities, and stakeholders, and every employee is required to complete related training annually. The Code covers the following topics including, but not limited to: anti-bribery and corruption, antitrust, insider dealings, gifts, conflicts of interest, controls, money laundering, discrimination, confidentiality of information, and whistleblowing.

Training - Code of ethics and business conduct	Unit	2019	2020	2021
Active learners that completed Anti-bribery and corruption training	%	99.8	100.0	100.0



Risk management

Every employee has a role in managing risk at Wells Fargo. The company's Risk Management Framework sets forth core principles for managing and governing risk. Senior management sets the tone at the top by supporting a strong culture, defined by the company's expectations¹, that guides how employees conduct themselves and make decisions. The Board holds senior management accountable for establishing and maintaining this culture and for effectively managing risk.

Bank Secrecy Act and Anti-Money Laundering program

Wells Fargo's risk-based global Bank Secrecy Act and Anti-Money Laundering (BSA/AML) program is designed to comply with applicable BSA/AML laws commensurate with Wells Fargo's risk profile. The program is approved by Wells Fargo's Board of Directors through its Risk Committee.

The BSA/AML Program encompasses requirements specifically related to BSA/AML compliance risks and includes the following core elements: BSA officer, policies, risk assessments, gap analyses, testing, training, data analytics, customer due diligence, sanctions screening, transaction monitoring, reporting, other internal controls, and independent audit.

Global sanctions

Wells Fargo has implemented a comprehensive risk-based sanctions compliance program designed to ensure compliance with applicable economic sanctions laws and regulations in every jurisdiction in which it operates.

Anti-bribery and corruption

Wells Fargo has zero tolerance for bribery and corruption in any form. The Anti-Bribery and Corruption (ABC) program was reasonably designed to comply with the U.S. Foreign Corrupt Practices Act, the United Kingdom Bribery Act 2010, and applicable ABC laws in the jurisdictions where Wells Fargo does business or seeks to do business.

¹Please see the [Culture](#) and [Corporate governance and ethics](#) sections for more on the company's expectations.

Policy advocacy

Wells Fargo's Government Relations and Public Policy team manages the company's legislative and political activities in a manner consistent with good corporate governance practices.

- Wells Fargo participates in the U.S. public policy arena on a wide range of issues that may impact the company. The company discloses federal lobbying activities in accordance with the Lobbying Disclosure Act (LDA), which requires quarterly reports to be filed with the United States Congress.
- Wells Fargo's Political Action Committees (PACs) are funded through voluntary contributions from eligible exempt employees, and managed by the Government Relations and Public Policy team. Wells Fargo's PACs report to the Federal Elections Committee and/or to state agencies, as required by law.
- Pursuant to company policies, Wells Fargo does not use company money or resources to influence any U.S. domestic or foreign candidate elections. It does not use company money to financially support candidate campaign committees, political parties, or caucuses, and does not make independent expenditures on other political committees, or partake in other types of election-related activity.

The Board's Corporate Responsibility Committee oversees the company's significant Government Relations strategies, policies, and programs.

Information on the Wells Fargo Political Action Committee and corporate political spending can be found on the [Government Relations and Public Policy](#) page on wells Fargo.com.

Public policy lobbying and corporate Political Action Committee (PAC) spending	Unit	2019	2020	2021
Spending on federal lobbying activities ¹	USD	5,010,000	4,424,237	3,830,000
Corporate PAC contributions ²	USD	763,250	1,010,750	741,700

Notes

1. Federal lobbying activities are disclosed under the Lobbying Disclosure Act (LDA), which requires reports to be filed quarterly with the United States Congress. LDA reports are available for review on the U.S. House website.
2. Contributions to federal and state committees from the employee-funded PAC.

References

- [Government Relations and Public Policy](#)
[Wells Fargo Political Action Committees contributions \(PDF\)](#)

Information and cybersecurity

Wells Fargo's Information and Cyber Security organization is dedicated to protecting Wells Fargo systems, networks, and data, including customer and employee data, through the design, execution, and oversight of the Information Security Program. The Information and Cyber Security organization is led by the Chief Information Security Officer, who reports to the head of Wells Fargo Technology. The Board's Risk Committee annually approves the Information Security Program.

Wells Fargo's Information Security Program is designed to comply with applicable laws and regulations that are evolving and increasingly complex, and is based on industry standards and best practices from the National Institute of Standards and Technology (NIST) Cybersecurity Framework, the International Organization for Standardization (ISO) 27001/27002 Standards on Information Security Management, and Federal Financial Institutions Examination Council (FFIEC) IT Handbook. Wells Fargo businesses and employees, as well as vendors, non-employees, and third parties with access to systems or sensitive information, are required to adhere to the Information Security Program's policies, procedures, and requirements.



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Privacy protection

Managing privacy risk is the responsibility of every Wells Fargo employee. Wells Fargo mandates company-wide privacy training, in addition to requiring comprehensive business line procedures to minimize data privacy risk.

The company's businesses strive to effectively manage risks associated with collecting, processing, and retaining and disposing of personal data pertaining to customers and employees.



Privacy Center

The [Wells Fargo Privacy Center](#) web portal is a resource for individuals to make requests to see certain personal data about themselves, or ask to delete certain data that Wells Fargo's businesses, located in the U.S., have collected from them, subject to several exceptions and exemptions, which are explained in the [Privacy Center Important Information \(PDF\)](#). More information about the types of data Wells Fargo collects, how it is used, and choices available to individuals, is available on [Wells Fargo's Privacy, Cookies, Security, and Legal](#) page.

Understanding environmental and social impacts

[Wells Fargo's Environmental and Social Impact Management Framework \(PDF\)](#) and associated policy help to identify, evaluate, and manage the potential environmental and social impacts associated with the company's business activities.

The Environmental and Social Impact Management Framework, which applies to global businesses with commercial customer relationships, is informed by globally recognized standards and best practices, including:

- **Equator Principles**
- **UN Guiding Principles on Business and Human Rights**
- **UK Modern Slavery Act (UK MSA)**
- **International Finance Corporation (IFC) Performance Standards**
- **Task Force on Climate-Related Financial Disclosures (TCFD)**

In accordance with its policy, Wells Fargo assesses customers and transactions for environmental and social factors that have the potential to impact various risk types, including reputation risk, credit risk, and strategic risk. This includes additional due diligence on sensitive industries such as oil and gas, coal and metal mining, arms and armaments, consumer finance, and in-scope Equator Principles transactions.

Wells Fargo recognizes that all companies have a responsibility to respect human rights and prevent modern slavery from occurring in their operations, including their supply chain.

In 2021, Wells Fargo engaged a third-party law firm with expertise in business and human rights to undertake a Human Rights Impact Assessment (HRIA). In 2022, the company published the Priority Recommendations of the Wells Fargo [Human Rights Impact Assessment \(PDF\)](#) and actions in response, as well as its updated [Human Rights Statement \(PDF\)](#).

In addition, the company outlined its strategies, policies, and programs related to the prevention of modern slavery, including human trafficking in the [UK Modern Slavery Act \(UK MSA\) Statement](#).

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Alignment with the United Nations Sustainable Development Goals



Wells Fargo recognizes that it has a responsibility to do its part to help address the many global challenges facing the communities the company serves. Wells Fargo is committed to strengthening its business for the future. The United Nations (UN) Sustainable Development Goals (SDGs), a universal framework for accomplishing 17 desired global

outcomes by 2030, serves as a guide for integrating sustainability more deeply into the company's businesses. As part of Wells Fargo's commitment to communities, it continues to provide both capital and financial solutions, which support the UN SDGs. The seven goals above have been identified by Wells Fargo as its sustainability priorities.

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Sustainability Accounting Standards Board (SASB) Index

Wells Fargo’s SASB response is related to the Financials sector. The company reports on topics for the following industry categories: Asset Management and Custody Activities, Consumer Finance, Mortgage Finance, Investment Banking and Brokerage, and Commercial.

Disclosure topic	Accounting metric	Response/ Disclosure location
Business Ethics		
FN-CB-510a.1 FN-IB-510a.1 FN-AC-510a.1	Total amount of monetary losses as a result of legal proceedings associated with fraud, insider trading, anti-trust, anti-competitive behavior, market manipulation, malpractice, or other related financial industry laws or regulations	Wells Fargo 2021 Annual Report (PDF) , Note 15: Legal Actions, page 153
FN-AC-510a.2 FN-CB-510a.2 FN-IB-510a.2	Description of whistleblower policies and procedures	Wells Fargo ESG Report, Code of Ethics and Business Conduct Wells Fargo Code of Ethics and Business Conduct (PDF)
Professional Integrity		
FN-IB-510b.2	Number of mediation and arbitration cases associated with professional integrity, including duty of care, by party	Wells Fargo 2021 Annual Report (PDF) , Note 15: Legal Actions, page 153
FN-IB-510b.3	Total amount of monetary losses as a result of legal proceedings associated with professional integrity, including duty of care	Wells Fargo 2021 Annual Report (PDF) , Note 15: Legal Actions, page 153
FN-IB-510b.4	Description of approach to ensuring professional integrity, including duty of care	Wells Fargo ESG Report, Corporate governance and ethics Wells Fargo Code of Ethics and Business Conduct (PDF) Wells Fargo 2022 Proxy Statement (PDF) , Human capital management, page 51

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Disclosure topic	Accounting metric	Response/ Disclosure location
Customer Privacy		
FN-CF-220a.1	Number of account holders whose information is used for secondary purposes	Wells Fargo does not publicly disclose this information. For additional information regarding customer privacy and data security, please refer to: Wells Fargo 2021 Annual Report (PDF) , Risk Management, page 60 Wells Fargo ESG Report, Privacy protection
FN-CF-220a.2	Description of approach to identifying and addressing data security risks	Wells Fargo ESG Report, Information and cybersecurity , Privacy protection Wells Fargo 2021 Annual Report (PDF) , Risk Management, page 31; Risk Factors, page 72
Discriminatory Lending		
FN-MF-270b.2	Total amount of monetary losses as a result of legal proceedings associated with discriminatory mortgage lending	Wells Fargo does not publicly disclose incidents of discrimination and corrective actions taken.
FN-MF-270b.3	Description of policies and procedures for ensuring nondiscriminatory mortgage origination	Wells Fargo responsible lending - What It Means at Wells Fargo
Employee Diversity and Inclusion		
FN-AC-330a.1 FN-IB-330a.1	Percentage of gender and racial/ethnic group representation for (1) executive management, (2) non-executive management, (3) professionals, and (4) all other employees	Wells Fargo ESG Report, Diversity, equity, and inclusion , Employee resource networks
Employee Incentives and Risk Taking		
FN-IB-550b.3	Discussion of policies around supervision, control, and validation of traders' pricing of Level 3 assets and liabilities	Wells Fargo 2021 Annual Report (PDF) , Note 17: Fair Values of Assets and Liabilities, page 164
Environmental Risk to Mortgaged Properties		
FN-MF-450a.3	Description of how climate change and other environmental risks are incorporated into mortgage origination and underwriting	Environmental and Social Impact Management Framework (PDF)

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Disclosure topic	Accounting metric	Response/ Disclosure location
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Financial Inclusion and Capacity Building

FN-CB-240a.1	(1) Number and (2) amount of loans outstanding qualified to programs designed to promote small business and community development	Wells Fargo ESG Report, Supporting customers and communities , Small business growth philanthropy
FN-CB-240a.2	(1) Number and (2) amount of past due and nonaccrual loans qualified to programs designed to promote small business and community development	
FN-CB-240a.3	Number of no-cost retail checking accounts provided to previously unbanked or underbanked customers	
FN-CB-240a.4	Number of participants in financial literacy initiatives for unbanked, underbanked, or underserved customers	

Incorporation of Environmental, Social, and Governance Factors in Credit Analysis

FN-CB-410a.1	Commercial and industrial credit exposure, by industry	Wells Fargo 2021 Annual Report (PDF) , Table 16, page 36
FN-CB-410a.2	Description of approach to incorporation of environmental, social, and governance (ESG) factors in credit analysis	Wells Fargo ESG Report, Wells Fargo's key ESG themes & focus areas

Incorporation of Environmental, Social, and Governance Factors in Investment Banking and Brokerage Activities

FN-IB-410a.2	(1) Number and (2) total value of investments and loans incorporating integration of environmental, social, and governance (ESG) factors, by industry	Wells Fargo ESG Report, Wells Fargo's key ESG themes & focus areas , Housing affordability solutions
FN-IB-410a.3	Description of approach to incorporation of environmental, social, and governance (ESG) factors in investment banking and brokerage activities	Wells Fargo ESG Report, Understanding environmental and social impacts

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Disclosure topic	Accounting metric	Response/ Disclosure location
Incorporation of Environmental, Social, and Governance Factors in Investment Management and Advisory		
FN-AC-410a.2	Description of approach to incorporation of ESG factors in investment and/or wealth management processes and strategies	Wells Fargo ESG Report, Understanding environmental and social impacts
FN-AC-410a.3	Description of proxy voting and investee engagement policies and procedures	Wells Fargo 2022 Proxy Statement (PDF) , Investor Engagement Program, page 3; Shareholder Proposals, page 112
Lending Practices		
FN-MF-270a.3	Total amount of monetary losses as a result of legal proceedings associated with communications to customers or remuneration of loan originators	Wells Fargo 2021 Annual Report (PDF) , Note 15: Legal Actions, page 153
Selling Practices		
FN-CF-270a.4	(1) Number of complaints filed with the Consumer Financial Protection Bureau (CFPB), (2) percentage with monetary or non-monetary relief, (3) percentage disputed by consumer, (4) percentage that resulted in investigation by the CFPB	Wells Fargo does not publicly disclose this information. However, this information is disclosed publicly on the Consumer Financial Protection Bureau website
FN-CF-270a.5	Total amount of monetary losses as a result of legal proceedings associated with selling and servicing of products	Wells Fargo 2021 Annual Report (PDF) , Note 15: Legal Actions, page 153
Transparent Information and Fair Advice for Customers		
FN-AC-270a.2	Total amount of monetary losses as a result of legal proceedings associated with marketing and communication of financial product-related information to new and returning customers	Wells Fargo 2021 Annual Report (PDF) , Note 15: Legal Actions, page 153
FN-AC-270a.3	Description of approach to informing customers about products and services	Wells Fargo ESG Report, Supporting customers and communities , Financial health Wells Fargo Code of Ethics and Business Conduct (PDF)

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Disclosure topic	Accounting metric	Response/ Disclosure location
Activity Metrics		
FN-MF-000.A	(1) Number and (2) value of mortgages originated by category: (a) residential and (b) commercial	Wells Fargo 2021 Annual Report (PDF) , Consumer Banking and Lending - income statement and selected metrics, pages 15-16
FN-MF-000.B	(1) Number and (2) value of mortgages purchased by category: (a) residential and (b) commercial	Wells Fargo 2021 Annual Report (PDF) , Note 9: Mortgage Banking Activities, pages 141-142
FN-IB-000.A	(1) Number and (2) value of (a) underwriting, (b) advisory, and (c) securitization transactions	Wells Fargo 2021 Annual Report (PDF) , WIM advisory assets, page 23; Note 8: Securitizations and Variable Interest Entities, pages 136-140
FN-IB-000.C	1) Number and (2) value of market making transactions in (a) fixed income, (b) equity, (c) currency, (d) derivatives, and (e) commodity products	Wells Fargo 2021 Annual Report (PDF) , Corporate and Investment Banking - income statement and selected metrics, page 20
FN-AC-000.A	(1) Total registered and (2) total unregistered assets under management (AUM)	Wells Fargo 2021 Annual Report (PDF) , WFAM assets under management, page 26
FN-AC-000.B	Total assets under custody and supervision	Wells Fargo 2021 Annual Report (PDF) , Corporate and Investment Banking - balance sheet, page 21
FN-CB-000.B	(1) Number and (2) value of loans by segment: (a) personal, (b) small business, and (c) corporate	Wells Fargo 2021 Annual Report (PDF) , Consumer Banking and Lending - balance sheet, page 17 Commercial Banking - balance sheet, page 19; Corporate and Investment Banking - balance sheet, page 21

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Global Reporting Initiative (GRI) Index

Wells Fargo’s ESG Report was developed in accordance with the Global Reporting Initiative Standards (GRI) “Core” option and contain many elements of the “Comprehensive” option.

Disclosure number	Disclosure name	Disclosure location
GRI 2: General disclosures		
<i>The organization and its reporting practices</i>		
2-1	Organizational details	Wells Fargo & Company (WFC) Mailing Addresses Wells Fargo 2021 Annual Report (PDF) , Wells Fargo & Co., page 204
2-2	Entities included in the organization’s sustainability reporting	Wells Fargo 2021 Annual Report (PDF) , Note 1, Summary of significant accounting policies, page 95
2-3	Reporting period, frequency and contact point	Wells Fargo 2021 Annual Report (PDF) , Note 1, Summary of significant accounting policies, page 95 corporateresponsibility@wellsfargo.com
2-4	Restatements of information	Wells Fargo ESG Report, Operational Sustainability , Scope 1 and Scope 2 (location & market based) Emissions, Note 3; Scope 3 emissions, Note 4 Wells Fargo ESG Report, Small business growth philanthropy , Open for Business Fund, Note 3
2-5	External assurance	Environmental Data Assurance (PDF)
Activities and workers		
2-6	Activities, value chain, and other business relationships	Wellsfargo.com Wells Fargo ESG Report, About Wells Fargo , Supplier engagement Wells Fargo 2021 Annual Report (PDF) , Wells Fargo & Co., page 204 Wells Fargo Stories
2-7	Employees	Wells Fargo ESG Report, Employees

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Disclosure number	Disclosure name	Disclosure location
Governance		
2-9	Governance structure and composition	Wells Fargo ESG Report, Corporate governance and ethics Wells Fargo Leadership and Governance Wells Fargo 2022 Proxy Statement (PDF) , Board leadership and composition highlights summary, page iii; Board Composition pages 15-26
2-10	Nomination and selection of the highest governance body	Wells Fargo ESG Report, Board of directors Wells Fargo 2022 Proxy Statement (PDF) , Director election standard and nomination process, page 27
2-11	Chair of the highest governance body	Wells Fargo ESG Report, Board of directors Wells Fargo 2022 Proxy Statement (PDF) , Strong independent Board leadership, page 19 Wells Fargo Leadership and Governance
2-12	Role of the highest governance body in overseeing the management of impacts	Wells Fargo ESG Report, Wells Fargo's key ESG themes & focus areas , Corporate governance and ethics , Culture Wells Fargo 2022 Proxy Statement (PDF) , The journey: redefining culture, page 51 Wells Fargo 2022 Proxy Statement (PDF) , The Board's role in risk oversight, pages 31-34 Wells Fargo Corporate Responsibility Committee Charter (PDF)
2-13	Delegation of responsibility for managing impacts	Wells Fargo ESG Report, Corporate governance and ethics Wells Fargo Leadership and Governance , Corporate Responsibility Committee
2-14	Role of the highest governance body in sustainability reporting	Wells Fargo ESG Report, Corporate governance and ethics
2-15	Conflicts of interest	Wells Fargo ESG Report, Code of Ethics and Business Conduct , Alignment with the United Nations Sustainable Development Goals
2-16	Communication of critical concerns	How to Contact the Board of Directors Wells Fargo 2022 Proxy Statement (PDF) , Year-round engagement process, page 3; Communicating with the Board, page 22; Board of Directors and Human Resources Committee, page 57
2-17	Collective knowledge of the highest governance body	Wells Fargo ESG Report, Governance Wells Fargo 2022 Proxy Statement (PDF) , Board qualifications and experience, page 17
2-18	Evaluation of the performance of the highest governance body	Wells Fargo ESG Report, Board of directors Wells Fargo 2022 Proxy Statement (PDF) , Comprehensive annual evaluation of Board effectiveness, pages 35-39
2-19	Remuneration policies	Wells Fargo ESG Report, Executive compensation , Code of Ethics and Business Conduct Wells Fargo 2022 Proxy Statement (PDF) , Director compensation, page 42; Incentive compensation risk management, page 59; Executive compensation, pages 88-98 Wells Fargo Corporate Governance Guidelines (PDF) , page 5

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Disclosure number	Disclosure name	Disclosure location
2-20	Process to determine remuneration	Wells Fargo ESG Report, Executive compensation, Code of Ethics and Business Conduct Wells Fargo 2022 Proxy Statement (PDF) , Director compensation, page 42; Incentive compensation risk management, page 59; Executive compensation, pages 88-98 Wells Fargo Human Resources Committee Charter (PDF) Wells Fargo Corporate Governance Guidelines (PDF)
2-21	Annual total compensation ratio	Wells Fargo 2022 Proxy Statement (PDF) , CEO pay ratio and median annual total compensation, page 62 Wells Fargo ESG Goals and Performance Data, Executive compensation

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Strategy, policies and practices

2-22	Statement on sustainable development strategy	Wells Fargo ESG Report, A letter from the CEO Wells Fargo 2021 Annual Report (PDF) , pages II-XIV
2-23	Policy commitments	Wells Fargo ESG Report, Risk management, Code of Ethics and Business Conduct Environmental and Social Impact Management Framework (PDF) Wells Fargo 2022 Proxy Statement (PDF) , Human capital management, pages 51-62 Wells Fargo Code of Ethics and Business Conduct (PDF)
2-24	Embedding policy commitments	Wells Fargo Code of Ethics and Business Conduct (PDF) Wells Fargo Corporate Governance Guidelines (PDF) Environmental and Social Impact Management Framework (PDF) Human Rights Statement (PDF) UK Modern Slavery Act Statement (PDF)
2-25	Processes to remediate negative impacts	Wells Fargo Code of Ethics and Business Conduct (PDF)
2-26	Mechanisms for seeking advice and raising concerns	Wells Fargo ESG Report, Code of Ethics and Business Conduct Wells Fargo Code of Ethics and Business Conduct (PDF) , page 7
2-27	Compliance with laws and regulations	Wells Fargo 2021 Annual Report (PDF) , Note 15, Legal actions, pages 153-155
2-28	Membership associations	Wells Fargo Memberships and Commitments

Stakeholder engagement

2-29	Approach to stakeholder engagement	Wells Fargo ESG Report, Wells Fargo's key ESG themes & focus areas Wells Fargo 2022 Proxy Statement (PDF) , Reporting and evaluation of investor feedback, page 3
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Material topic disclosures

Disclosure number	Disclosure name	Disclosure location
GRI 3: Material topics		
3-1	Material Topics	Process to determine material topics
3-2	Material Topics	List of material topics
3-3	Material Topics	Management of material topics
		Wells Fargo ESG Report, Wells Fargo's key ESG themes & focus areas
		Wells Fargo ESG Report, Wells Fargo's key ESG themes & focus areas
		Wells Fargo ESG Report, Risk management , Code of Ethics and Business Conduct Environmental and Social Impact Management Framework (PDF) Wells Fargo Code of Ethics and Business Conduct (PDF)

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GRI 301: Materials

301-1	Materials	Materials used by weight or volume	Wells Fargo ESG Report, Operational sustainability
301-2	Materials	Recycled input materials used	Wells Fargo ESG Report, Operational sustainability
301-3	Materials	Reclaimed products and their packaging materials	Wells Fargo ESG Report, Operational sustainability

GRI 302: Energy

302-1	Energy	Energy consumption within the organization	Wells Fargo ESG Report, Operational sustainability , Growing the renewable energy supply
302-2	Energy	Energy consumption outside the organization	Wells Fargo ESG Report, Operational sustainability , Growing the renewable energy supply
302-3	Energy	Energy intensity	Wells Fargo ESG Report, Operational sustainability , Growing the renewable energy supply
302-4	Energy	Reduction of energy consumption	Wells Fargo ESG Report, Operational sustainability , Growing the renewable energy supply

GRI 303: Water and effluents

303-5	Water and Effluents	Water consumption	Wells Fargo ESG Report, Operational sustainability
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Disclosure number	Disclosure name	Disclosure location
GRI 305: Emissions		
305-1	Emissions	Direct (Scope 1) GHG emissions Wells Fargo ESG Report, Operational sustainability
305-2	Emissions	Energy indirect (Scope 2) GHG emissions Wells Fargo ESG Report, Operational sustainability
305-3	Emissions	Other indirect (Scope 3) GHG emissions Wells Fargo ESG Report, Operational sustainability Wells Fargo CO2eMissionSM
305-4	Emissions	GHG emissions intensity Wells Fargo ESG Report, Operational sustainability Wells Fargo CO2eMissionSM
305-5	Emissions	Reduction of GHG emissions Wells Fargo ESG Report, Operational sustainability Wells Fargo CO2eMissionSM

GRI 306: Waste

306-2	Effluents and Waste	Waste by type and disposal method Wells Fargo ESG Report, Operational sustainability
306-4	Effluents and Waste	Transport of hazardous waste Wells Fargo ESG Report, Operational sustainability

Social impact

GRI 411: Rights of Indigenous Peoples

411-1	Rights of Indigenous peoples	Incidents of violations involving rights of Indigenous peoples Wells Fargo ESG Report, Understanding environmental and social impacts Wells Fargo Indigenous Peoples Statement (PDF)
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GRI 415: Public policy

415-1	Public Policy	Political contributions Wells Fargo ESG Report, Policy advocacy
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Diversity, equity, and inclusion

GRI 405: Diversity and equal opportunity

405-1	Diversity and Equal Opportunity	Diversity of governance bodies and employees Wells Fargo ESG Report, Board of directors , Diversity, equity and inclusion
405-2	Diversity and Equal Opportunity	Ratio of basic salary and remuneration of women to men Wells Fargo ESG Report, Pay equity review Wells Fargo 2022 Proxy Statement (PDF) , Pay equity review, page 61

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Additional topic-specific disclosures

Disclosure number	Disclosure name	Disclosure location
GRI 401: Employment		
401-2	Employment	Benefits provided to full-time employees that are not provided to temporary or part-time employees
		Wells Fargo ESG Report, Employees , Benefits Wells Fargo Benefits
GRI 403: Occupational health and safety		
403-1	Occupational Health and Safety	Occupational health and safety management system
		Wells Fargo ESG Report, Employee safety and health
403-2	Occupational Health and Safety	Hazard identification, risk assessment, and incident investigation
		Wells Fargo ESG Report, Employee safety and health
403-3	Occupational Health and Safety	Occupational health services
		Wells Fargo ESG Report, Employee safety and health
403-4	Occupational Health and Safety	Worker participation, consultation, and communication on occupational health and safety
		Wells Fargo ESG Report, Employee safety and health
403-5	Occupational Health and Safety	Worker training on occupational health and safety
		Wells Fargo ESG Report, Employee safety and health
403-6	Occupational Health and Safety	Promotion of worker health
		Wells Fargo ESG Report, Employee safety and health
GRI 404: Training and education		
404-1	Training and Education	Average hours of training per year per employee
		Wells Fargo ESG Report, Employee training and development
404-2	Training and Education	Programs for upgrading employee skills and transition assistance programs
		Wells Fargo ESG Report, Employee training and development
404-3	Training and Education	Percentage of employees receiving regular performance and career development reviews
		Wells Fargo ESG Report, Employee training and development

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Disclosure number	Disclosure name	Disclosure location
GRI 417: Marketing and labeling		
417-1	Marketing and Labeling Requirements for product and service information and labeling	Wells Fargo 2021 Annual Report (PDF) , Note 15, Legal actions, pages 153-155
417-2	Marketing and Labeling Incidents of noncompliance concerning product and service information and labeling	Wells Fargo 2021 Annual Report (PDF) , Note 15, Legal actions, pages 153-155
417-3	Marketing and Labeling Incidents of noncompliance concerning marketing communications	Wells Fargo 2021 Annual Report (PDF) , Note 15, Legal actions, pages 153-155

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Task Force on Climate-related Financial Disclosures Index

Disclosure		Report Section or Other Documentation
Governance	a) Describe the Board's oversight of climate-related risks and opportunities.	Wells Fargo 2021 Annual Report (PDF) , page 31 Corporate Responsibility Committee Charter (PDF) Environmental and Social Impact Management Framework (PDF)
	b) Describe management's role in assessing and managing climate-related risks and opportunities.	
Strategy	a) Describe the climate-related risks and opportunities the organization has identified over the short, medium and long term.	2022 CDP Report (PDF) , Risks and Opportunities section (C2.1, C2.1a, C2.2a) 2022 CDP Report (PDF) , Risks and Opportunities section (C2.1, C2.1a, C2.2a) Wells Fargo ESG Report, Wells Fargo's key ESG themes & focus areas
	b) Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.	
	c) Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	
Risk Management	a) Describe the organization's processes for identifying and assessing climate-related risks.	2022 CDP Report (PDF) , Risks and Opportunities section (C2.1, C2.1a, C2.2a) Environmental and Social Impact Management Framework (PDF) 2022 CDP Report (PDF) , Risks and Opportunities section (C2.1, C2.1a, C2.2a) Environmental and Social Impact Management Framework (PDF) 2022 CDP Report (PDF) , Risks and Opportunities section (C2.1, C2.1a, C2.2a) Environmental and Social Impact Management Framework (PDF)
	b) Describe the organization's processes for managing climate-related risks.	
	c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	
Metrics and Targets	a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	Wells Fargo ESG Report, Operational sustainability Environmental Data Assurance (PDF) 2022 CDP Report (PDF)

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Disclosure		Report Section or Other Documentation
	b) Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas emissions, and the related risks.	Wells Fargo ESG Report, Operational sustainability Environmental Data Assurance (PDF) 2022 CDP Report (PDF) , Sections C6-C10
	c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	Wells Fargo CO2eMission Methodology (PDF) , page 6 Wells Fargo CO2eMission Methodology (PDF) , page 25

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Disclaimer and Forward-Looking Statements

This document contains forward-looking statements about Wells Fargo's future financial performance and business. Because forward-looking statements are based on our current expectations and assumptions regarding the future, they are subject to inherent risks and uncertainties. Do not unduly rely on forward-looking statements as actual results could differ materially from expectations. Forward-looking statements speak only as of the date made, and we do not undertake to update them to reflect changes or events that occur after that date.

For more information about factors that could cause actual results to differ materially from expectations, refer to our reports filed with the Securities and Exchange Commission, including the "Forward-Looking Statements" discussion in Wells Fargo's most recent Quarterly Report on Form 10-Q as well as to Wells Fargo's other reports filed with the Securities and Exchange Commission, including the discussion under "Risk Factors" in our Annual Report on Form 10-K for the year ended Dec. 31, 2021, available on its website at www.sec.gov.

While this document describes events, including potential future events that may be generally significant in the context of our ESG priorities and related activities, any such significance does not necessarily equate to the level of materiality of disclosures required under U.S. federal securities laws.

This document should not be used as a basis for trading in the securities of the Company or for any other investment decision and should not be construed as consisting of investment advice. The Company is not providing any financial, economic, legal, accounting, or tax advice or recommendations. This document reflects certain positions and approaches to ESG as of the date of this document that are subject to change at any time in the Company's sole discretion without notice, and we do not undertake to update this document to reflect any such changes. Any references to "sustainable investing," "sustainable financing," "ESG," or similar terms in this document are intended as references to the internally defined criteria of the Company, as applicable, and not to any jurisdiction-specific regulatory definition that may exist.

Information contained herein is sourced from a variety of internal and external sources and may be based on emerging or evolving practices. In addition, disclosures related to environmental sustainability, including disclosures related to the Company's resource consumption and greenhouse gas emissions, as well as certain internal estimates and assumptions, are based in part on third-party

data. Uncertainties, inaccuracies or omissions in any of these inputs potentially have compounding effects on the accuracy and completeness of resulting emissions and resource consumption figures. The suitability of the design and effectiveness of the third-party systems and associated controls over the accuracy and completeness of the data has not been independently assessed. Accordingly, with respect to data that is not also included in the Company's Statement of Greenhouse Gas Emissions, the Company makes no representations or warranties as to the quality, completeness, accuracy, or fitness for a particular purpose and shall not be liable for any use by any party of, for any decision made or action taken by any party in reliance upon, or for any inaccuracies or errors in, or omissions from, such data. GHG-Protocols require restatement if better information yields materially different base year emissions. Since methodologies and approaches continue to evolve, information we are currently disclosing could later potentially yield materially different emissions and may result in restatement. Other than as stated

herein, the Company does not undertake any duty to restate or correct data should such information later prove to be incorrect.

This document provides general information regarding a number of the Company's policies, procedures, and positions relating to ESG issues. Although this document aims to present the general position of the Company, the policies, procedures, and positions discussed herein may be subject to approved exceptions.

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References and resources

Corporate

Annual Report and Proxy Statement

<https://www.wellsfargo.com/about/investor-relations/annual-reports/>

Board Committees and Charters

<https://www.wellsfargo.com/about/corporate/governance/>

By-Laws of Wells Fargo & Company (PDF)

<https://www08.wellsfargomedia.com/assets/pdf/about/corporate/governance-by-laws.pdf>

Code of Ethics and Business Conduct (PDF)

<https://www08.wellsfargomedia.com/assets/pdf/about/corporate/code-of-ethics.pdf>

Corporate Governance Guidelines (PDF)

<https://www08.wellsfargomedia.com/assets/pdf/about/corporate/governance-guidelines.pdf>

Government Relations and Public Policy

<https://www.wellsfargo.com/about/corporate-responsibility/government-relations/>

History of Wells Fargo

<https://www.wellsfargo.com/about/corporate/history/>

Leadership and Governance

<https://www.wellsfargo.com/about/corporate/governance/>

Online Newsroom

<https://newsroom.wf.com/>

Wells Fargo Stories

<https://stories.wf.com/>

Wells Fargo Quarterly Earnings

<https://www.wellsfargo.com/about/investor-relations/quarterly-earnings/>

Corporate responsibility

CDP: Wells Fargo & Company — Climate Change (PDF)

<https://www08.wellsfargomedia.com/assets/pdf/about/corporate-responsibility/climate-change-information-request.pdf>

Community Giving

<https://www.wellsfargo.com/about/corporate-responsibility/community-giving/>

Community Reinvestment Act Performance Evaluation (PDF)

<https://www08.wellsfargomedia.com/assets/pdf/about/community-reinvestment/performance-evaluation.pdf>

CO2eMission: Net-Zero Alignment Methodology

<https://sites.wf.com/co2emission/>

Corporate Responsibility Goals and Reporting

<https://www.wellsfargo.com/about/corporate-responsibility/goals-and-reporting/>

Diversity, Equity, and Inclusion Report (PDF)

<https://www08.wellsfargomedia.com/assets/pdf/about/corporate/diversity-equity-inclusion-report.pdf>

Environmental Data Assurance (PDF)

<https://www.wellsfargo.com/assets/pdf/about/corporate-responsibility/environmental-data-assurance.pdf>

Environmental and Social Impact Management Framework (PDF)

<https://www08.wellsfargomedia.com/assets/pdf/about/corporate-responsibility/environmental-social-impact-management.pdf>

Human Rights Statement (PDF)

<https://www08.wellsfargomedia.com/assets/pdf/about/corporate-responsibility/human-rights-statement.pdf>

Inclusive Communities and Climate Bond Report (PDF)

<https://www.wellsfargo.com/assets/pdf/about/corporate-responsibility/inclusive-communities-climate-bond-report.pdf>

Indigenous Peoples Statement (PDF)

<https://www08.wellsfargomedia.com/assets/pdf/about/corporate-responsibility/indigenous-peoples-statement.pdf>

Innovation Incubator (IN²)

<https://in2ecosystem.com/>

Priority Recommendations of the Wells Fargo Human Rights Impact Assessment and Actions in Response (PDF)

<https://www.wellsfargo.com/assets/pdf/about/corporate-responsibility/human-rights-impact-assessment.pdf>

Sustainable Finance Reporting Methodology (PDF)

<https://www08.wellsfargomedia.com/assets/pdf/about/corporate-responsibility/sustainable-finance-methodology.pdf>

Task Force for Climate-Related Financial Disclosures (TCFD) Report (PDF)

<https://www.wellsfargo.com/assets/pdf/about/corporate-responsibility/climate-disclosure.pdf>

UK Modern Slavery Act Statement (PDF)

<https://www08.wellsfargomedia.com/assets/pdf/corporate/modern-slavery-statement.pdf>

Wells Fargo Stories: Supporting Sustainability

<https://stories.wf.com/series/supporting-sustainability/>

Wells Fargo Stories: Environment

<https://stories.wf.com/category/environment/>

Wells Fargo Volunteer and Corporate Community Impact Programs

<https://welcome.wf.com/impact/>

COVID-19 response

Resources and support for COVID-19

<https://www.wellsfargo.com/jump/enterprise/coronavirus-response>

Wells Fargo Stories: Wells Fargo responds to COVID-19

<https://stories.wf.com/series/wells-fargo-responds-covid-19/>

Employees

Careers at Wells Fargo

<https://www.wellsfargo.com/about/careers>

Careers for Military Veterans

<https://www.wellsfargo.com/about/careers/veterans/>

Diversity and Accessibility

<https://www.wellsfargo.com/about/diversity/>

Wells Fargo Benefits

<https://www.wellsfargo.com/about/careers/benefits/>

Wells Fargo Veterans Scholarship

<https://learnmore.scholarsapply.org/wellsfargoveterans/>

Privacy and security

Privacy, Cookies, Security, and Legal

<https://www.wellsfargo.com/privacy-security/privacy/>

Privacy Center

<https://privacycenter.wellsfargo.com/pcc/portal/enter>

Security Center

<https://www.wellsfargo.com/privacy-security/fraud>

Important information about the Privacy Center (PDF)

<https://www08.wellsfargomedia.com/assets/pdf/personal/privacy-security/privacy-center-important-information.pdf>

Products and services

Card controls

<https://www.wellsfargo.com/online-banking/manage-accounts/card-controls/>

CollegeSTEPS®

<https://collegesteps.wf.com/>

Diverse Community Capital program

<https://www.wellsfargo.com/com/financing/real-estate/community-lending-investment/cdfi/>

Financial health

<https://www.wellsfargo.com/financial-health>

Hands on Banking®

<https://handsonbanking.org/>

Hands on Banking® for service members

<https://handsonbanking.org/military/>

LGBTQ Resource Center

<https://www.wellsfargo.com/lgbtq/>

Military Resource Center

<https://www.wellsfargo.com/military/>

Mortgage Learning Center

<https://www.wellsfargo.com/mortgage/learning/>

NeighborhoodLIFT®

<https://www.wellsfargo.com/mortgage/lift/>

Small Business Resources

<https://www.wellsfargo.com/biz>

Smarter Credit™ Center

<https://www.wellsfargo.com/goals-credit/smarter-credit>

Suppliers

Supplier Code of Conduct (PDF)

<https://www08.wellsfargomedia.com/assets/pdf/about/corporate/supplier-code-of-conduct.pdf>

Supplier Diversity

<https://www.wellsfargo.com/about/diversity/supplier-diversity/>

The Private Bank – Social Impact Investing

<https://www.wellsfargo.com/the-private-bank/solutions/social-impact-investing/>

Wells Fargo AssistSM

<https://www.wellsfargo.com/financial-assistance/>

Wells Fargo Investment Institute

<https://www.wellsfargo.com/investment-institute>

Wells Fargo's Lending and Servicing Principles for U.S. Residential Real Estate Products

<https://www.wellsfargo.com/mortgage/principles/>

Wells Fargo's Responsible Lending Principles for Consumer Credit

<https://www.wellsfargo.com/help/consumer-credit-lending-principles/>

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