

**WELLS
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The City of Portland

Banking and Merchant Bankcard Proposal RFP No. OMF040

July 10, 2008

Submitted by

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1. Cover Letter

July 10, 2008

City of Portland
Bureau of Financial Services Treasury Division
1221 SW 4th Ave., Room 120
Portland, OR 97204

Re: RFP No OMF040 - Banking and Merchant Bankcard Proposal Only

Dear Alan,

We want to thank you for including us in the RFP process; we are deeply committed to our 48+ year relationship with the City and sincerely hope we have the opportunity to continue that partnership. If we are successful in this bid, we pledge to continue providing excellent local service, enhanced by our leading-edge technology.

You will see our commitment reflected in our proposed pricing. Just as you saw your pricing reduced in 2005 when we were allowed to amend and extend your contract, you will again see further pricing reductions now. These reductions are a result of current market conditions, improved efficiencies in our technology, growth in your relationship, and our ability to rebid your fees now that we are at the end of a contract period.

The City has taken on a huge undertaking with your SAP conversion. Our goal is to ensure you do not have the additional burden of a banking conversion. We believe we can continue to provide the products and services the City needs both today, and as you move forward with your new SAP system.

We are a recognized leader in banking technology, which goes hand in hand with your goal of automation. As demonstrated in our recent discussion of technology options, we have the products and services that will provide value and efficiencies. Equally important, we have a driving commitment to security; our stringent measures help safeguard your information.

Wells Fargo is proud to offer the following important qualifications for your consideration:

- **Meeting your requirements** – We can meet all the requirements in the RFP *and* offer innovative solutions.
- **Significant pricing concessions** – We are offering the City a 25% reduction in fees from your current treasury management contract. We are also offering you a credit against fees of \$110,000 over five years, as a reflection of our appreciation of the ongoing relationship.
- **Ease of conversion** – The ease of conversion is that there is no conversion – you know our systems and we know your needs. Contacts on both sides are established, as are procedures for getting things done. You know who to call when you have a question or problem, and so do we. It is business as usual with Wells Fargo.
- **Technology leader** – Using a single sign-on *to a system you know*, our award-winning Commercial Electronic Office[®] (CEO[®]) Internet portal allows you access to virtually every treasury management transaction you will do, including reports, balances, wires, images, ACH, investments, LGIP transfers and more. With easy, customized access from all your locations, *CEO* provides security and efficiency.

- **Experience and stability of team** – You have a proven, local relationship team with significant experience servicing the City. We’ve demonstrated a strong commitment to providing excellent customer service and leading products. Every person on your Wells Fargo team has extensive experience serving the unique banking needs of public agencies. We understand the City’s needs, the banking related laws and regulations with which you must comply, and we are experienced in the services typically used by public agencies.
- **Strength of Wells Fargo** – Wells Fargo is the only U.S. bank to have the highest possible credit rating from both Standard & Poor’s (AAA) and Moody’s (Aaa). We are a **diversified financial services company** providing banking, insurance, investments, mortgage and consumer finance for more than 23 million customers through 6,000 stores, the Internet and other distribution channels across North America and elsewhere internationally.
- **Diversity and Corporate Citizenship** – Wells Fargo is recognized nationally for being a good corporate citizen, in areas including diversity, environmental practices, and community support. Two examples of our many national awards include DiversityInc’s Top 50 Companies for Diversity in 2008 (we were #26), and the 2007 Human Rights Campaign Corporate Equality Index, where we achieved a perfect score.

Wells Fargo lauds the City of Portland’s concern for the environment – a concern we also share. In keeping with the City’s environmental goals, we have printed this proposal response double-sided on 100% recycled paper and used partially recycled binder covers and tabs. Wells Fargo has been named one of the U.S. Environmental Protection Agency’s Green Power Partners of the Year.

Working with Wells Fargo

Wells Fargo offers solutions to meet all of your comprehensive requirements; we have provided our detailed responses in the RFP document. Our Equal Employment Opportunity Certificate expires 8/31/09 and our City of Portland Business License is #337714. The signers below are authorized to represent the Bank in any negotiation, and to sign contracts that may result.

We will continue to work with your team to define your collections, disbursement and information needs to take advantage of greater efficiencies and cost effectiveness. Equally important, we pledge to deliver, consistently, superior customer service to your staff at the City of Portland.

Sincerely,

Julie R. Wilson
Vice President

Relationship Manager

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2. Project Team

Organization (All Proposers)

1. Provide the legal name of the responding organization and its address, telephone number, fax number, and company Internet web address. Please provide the mailing address if different.

Corporate Address:

Wells Fargo Bank, N.A.
420 Montgomery Street
San Francisco, CA 94163
1-800-At-Wells
www.wellsfargo.com

Local Servicing Address:

Julie Wilson
Vice President and Relationship Manager
Portland RCBO
1300 SW 5th Ave
13th Floor / MAC P6101-133
Portland, OR 97201-5667
503-886-2062
503-886-2039 - fax

2. Please provide the following overview of your firm:

- The year established
- The number of branches within the City's boundaries (banking services only)
- The address and hours of the nearest full service branch to City Hall (1221 SW 4th Avenue; banking services only)

Wells Fargo was founded in 1852. Celebrating our **156th year** of operation, we are recognized as one of the most highly capitalized and well-managed banks in the industry. We have 31 branches in the City of Portland and 72 in the Portland metropolitan area. The nearest branch to City Hall is located next door at 1300 SW Fifth Avenue. Its hours of operation are 9:00 a.m. to 6:00 p.m. PT, Monday through Friday.

3. Please describe the ownership structure of your organization and any subsidiaries it may have. Identify the parent company and any affiliated businesses of the firm.

Wells Fargo & Company (NYSE: WFC) is a publicly traded holding company that operates through subsidiaries performing a wide variety of financial services. We are a diversified financial services company providing banking, insurance, investments, mortgage and consumer finance through almost 6,000 stores, the Internet and other distribution channels across North America and internationally. Its principal banking subsidiary is Wells Fargo Bank, N.A., which is a national banking organization. A list of Wells Fargo's subsidiaries, which number in the hundreds, can be found at the following link:

<http://www.sec.gov/Archives/edgar/data/72971/000095013408003822/f38267exv21.htm>.

4. As Appendix 2, please provide:

- A call and/or financial report for the quarter ending December 31, 2007
- 2007 (or most recently available) audited income statements and balance sheets, or annual financial report for the firm or firm's holding company
- Your firm's and/or parent company's most current Standard & Poor's, Moody's and Fitch long and short term debt ratings

Please see Appendix 2 in Tab 11 for copies of our call and financial reports. Wells Fargo Bank, N.A. is the **only bank in the United States, and one of only two worldwide** to have the highest possible credit rating from both Moody's Investors Service, "Aaa," and Standard and Poor's Rating Services, "AAA."

5. Please provide your firm and/or parent company's net capital position (defined as net worth less assets that can not be sold at their full value) as of December 31, 2007.

Because we do not publicly report our net capital position, we are not able to provide it in this response. We have maintained strong capital levels to provide for future growth. As of March 31, 2008 our total shareholders equity was \$48 billion, up \$2.1 billion from March 31, 2007. Our leverage, tier 1 capital, and total capital ratios were 7.04%, 7.92%, and 11.01% respectively, all up from year-end levels. For more information on the fair value of our financial assets, please see Footnote 17, pages 105-109 of our 2007 annual report.

6. Please describe your firm's current financial condition within the context of the current sub-prime market crisis. How much exposure does your firm have to illiquid and/or difficult to value financial assets? Please describe any financial and/or organizational challenges that may impact your firm's ability to provide the services detailed in this RFP. If challenges exist, what is your firm's strategy to address them?

While Wells Fargo is not immune to the challenges of the housing market or the general economy, we have largely avoided major industry issues. Unlike many of our competitors we did not make negative amortizing mortgages. Also, unlike many of our competitors, we did not participate to any significant degree in collateralized debt obligations (CDOs), structured investment vehicles (SIVs) to hold assets off our balance sheet, hedge fund financing, off-balance sheet conduits, the underwriting of low-covenant or no-covenant, large, highly leveraged loans and commitments to companies acquired by private equity firms through leveraged buyouts. In the first quarter of 2008, Wells Fargo earned \$2 billion with diluted earnings per share of \$0.60. For more information on the fair value of our financial assets, please see Footnote 17, pages 105-109 of our 2007 annual report. We know of no financial and/or organizational challenges that will impact our ability to provide the services detailed in our response to your RFP.

7. Will any of the services requested in this RFP be provided by subcontractors to your firm? (Yes/No) If yes, please identify which services and who the subcontractors will be. How will you ensure that the City receives good service from the subcontractors?

The services we are proposing are provided and maintained in-house by Wells Fargo. We do utilize various 3rd parties throughout the bank, but none specifically because of the City's services. These vendors are used in a minor capacity and would have no material impact on our ability to fulfill our contract with the City. It is critical that our vendors provide excellent service to Wells Fargo, because it could impact every client we have. Accordingly, we accept responsibility for providing excellent service to the City.

8. If you have completed or proposed a merger with another firm within the past 12 months, please describe:

- **The combined entity's progress toward identifying surviving systems**
- **Impact of the merger on systems proposed, including transition times**
- **Plans for the management organization of the new entity**
- **Any other related issues significant to the pricing and/or services proposed**

At any given time, an organization the size of Wells Fargo may be involved in mergers and/or acquisitions. In 2007/2008, we acquired Placer Sierra Bancshares, certain assets of The CIT Group/Equipment Financing, Inc., Greater Bay Bancorp, and certain branches of National City Bank. These acquisitions are relatively small for a bank the size of Wells Fargo, and we would expect no material adverse impact on our ability to provide the services requested in this RFP. Typically, Wells Fargo systems survive in mergers because of our leading technology.

9. Has your organization ever been petitioned into bankruptcy or insolvency? (Yes/No) If yes, please explain.

No, we have never been petitioned into bankruptcy or insolvency. Wells Fargo Bank, N.A. is the only bank in the United States, and one of only two worldwide, to have the highest possible credit rating from both Moody's Investors Service, "Aaa," and Standard and Poor's Rating Services, "AAA."

10. Describe any litigation or regulatory actions, in the past 5 years or pending, against your organization resulting from its current or past involvement in providing banking and/or trust services to municipal clients.

The disclosure requested is extremely broad in scope, and, at any given time, an organization the size of Wells Fargo may be involved in legal proceedings or regulatory action, some or all of which may be confidential in nature. At this time, and to the best knowledge of the Wells Fargo representatives preparing this response, Wells Fargo has not been involved in any legal proceedings or regulatory actions within the past five years that would have a material adverse impact on Wells Fargo's ability to provide the services requested in this RFP.

11. Has your organization or your local service representatives been cited or reprimanded by any regulatory agency within the past 5 years? (Yes/No) If yes, please describe.

Wells Fargo & Company is a diversified financial services company that provides retail, commercial and corporate banking services through banking stores located in 23 states. It provides other financial services through subsidiaries engaged in various businesses, principally wholesale banking, mortgage banking, consumer finance, equipment leasing, agricultural finance, commercial finance, securities brokerage and investment banking, insurance agency and brokerage services, computer and data processing services, trust services, investment advisory services and venture capital investment. Wells Fargo is thus subject to significant government regulation. Routine exams by such government regulators may result in alleged exceptions and resulting assessments, many or all of which are confidential in nature and may not be disclosed without the express permission of our banking regulators. At this time, and to the best knowledge of the Wells Fargo representatives preparing this response, Wells Fargo has not been involved in any regulatory actions within the past five years that would have a material adverse impact on Wells Fargo's ability to provide the services requested in this RFP.

Personnel (All Proposers)

1. How do you propose staffing for the City's account?

Unless changes are requested, the City of Portland's current team would remain in place. That team includes your Relationship Manager, Relationship Associate, Client Service Officer, Merchant Services Relationship Manager, and Treasury Management Consultant. The team has experience working on the City's accounts and understands your structure and requirements.

2. Do you currently have staff located in downtown Portland? (Yes/No)

Yes, your Relationship Manager, Relationship Associate, Treasury Management Consultant, and Implementation Associate are located next door to City Hall.

3. Will you need to hire any additional staff in order to service the City's account? (Yes/No)

No.

4. Do you require any special licensing or training for service Personnel? (Yes/No) If yes, please describe.

Yes. Relationship Managers typically have a minimum of a Bachelor's degree, and have completed extensive training programs on credit and bank services. In addition, they complete 32 hours per year of ongoing training.

Relationship Associates are encouraged to earn a Relationship Association Certification for treasury management products, which is a series of classes taken over two years. In addition, they are required to complete 32 hours per year of ongoing training.

Client Service Officers (CSOs) are encouraged to obtain the Customer Service Certificate from Rockhurst University. CSOs complete 24 hours a year in product and service training, and additional hours for compliance requirements.

Treasury Management Sales Consultants typically have a Bachelor's degree and are required to attend Treasury Management University within a year of being hired by Wells Fargo. Additionally, they receive 60 to 70 hours of training annually on emerging products, industry trends, and changes in the treasury market.

Merchant Services Relationship Managers have a minimum requirement of a Bachelor's degree and 5 to 10 years of experience in business development, relationship management, and outside sales/service. The preferred skills are negotiation and analytical abilities, and experience in the financial industry, and they are supported by relationship associates. Both Relationship Managers and Relationship Associates have to take monthly compliance classes. Twice a month they are also required to take training classes on products, compliance, finance, credit, risk, and operations.

5. In regard to any local service representatives assigned to the City's account:

a. Will they be employees of your firm? (Yes/No)

Yes.

b. Will the City be able to participate in selecting service representatives? (Yes/No)

Yes.

c. Where will they be located?

Please see below.

d. Briefly describe their background and related experience.

Please see below.

e. How many other clients will they be responsible for?

Please see below.

f. Please explain your procedures for providing back-up service when the primary representative is not available.

When your assigned representatives are not available, a back-up is assigned. That back-up is provided with all necessary information to ensure questions or issues can be resolved in a timely manner. The Portland Regional Commercial Banking Office has 11 Relationship Managers, 6 Relationship Associates, 2 Team Managers, 2 Treasury Management Sales Officers, 1 Treasury Management Sales Associate, 2 Customer Service Managers and the Regional Vice President of Commercial Banking, providing in-depth local back-up. In addition, we are supported by a Client Services group in San Francisco, which provides 24 hour customer service.

During a Merchant Services Relationship Manager's absence, the City will be assigned a back-up Relationship Manager familiar with the City's infrastructure. We provide the designated back-up with notes and advise of any unresolved issues currently in process and necessary actions that must be taken. The regional Relationship Management team has 11 Relationship Managers, 5 Relationship Associates, 2 Managers of Relationship Managers, and 2 Vice Presidents of Relationship Management. In addition, there is a Premier Customer Service group that backs up all regions, and a 24 hour Customer Service group.

Details on the City of Portland's relationship team are provided below.

Julie Wilson, Relationship Manager, 1300 SW 5th Avenue, 13th floor, Portland, OR / 503-886-2062

As your Relationship Manager, Julie Wilson functions as a financial consultant and coordinates a team of specialists working on your banking relationship. Julie has over 24 years of diversified banking experience with Wells Fargo, including extensive municipal experience. She graduated from University of Virginia with a B.S. in Commerce and an emphasis in finance. She manages a portfolio of approximately 23 clients, and has worked with the City for 6 years. Julie has ultimate responsibility for the treasury management relationship.

Melody Madison, Relationship Associate, 1300 SW 5th Avenue, 13th floor, Portland, OR / 503-886-2705

Melody works with Julie to enhance customer service to the City. Melody's portfolio includes 70 clients within a variety of industries; she is one of our most skilled associates in handling the needs of complex clients and has 30 years of banking experience. She acts as a liaison between you and various groups in the bank to resolve issues and request information quickly, and assists with new product implementation. She has successfully completed the Relationship Associate Certification program.

Sam Cady, Client Service Officer, MAC A0186-063, 155 Fifth Street, 6th Floor, San Francisco, CA 94585 / 1-800-289-3557

Sam began his career with Wells Fargo in August of 1983, and joined Treasury Management Client Services two years later. He has had the opportunity to manage a dedicated portfolio of high-value customers, focusing on the Bank's suite of electronic products. His extensive work experience with Wells Fargo has provided him with the opportunity to develop in-depth resolution skills, and he holds a Customer Service Certificate from Rockhurst University. Currently Sam services a portfolio of approximately 55 active clients, and has extensive experience dealing with municipalities.

Sandy Harrison-Brown, Treasury Management Sales Consultant, 1300 SW 5th Avenue, 13th floor, Portland, OR / 503-886-4761

Sandy has the primary responsibility for providing treasury management expertise to a portfolio of 74 clients. She brings over 20 years of experience in the areas of treasury management and corporate banking. She has been awarded Wells Fargo's All Star Award for the past three consecutive years. Her portfolio includes companies in a wide range of industries, with revenues up to \$1.5 billion, as well as a number of municipalities. Sandy has worked on the City's relationship for over 6 years.

Eryka Mathews-Cain, Merchant Services Relationship Manager, 1200 Montego Way, Building C, Walnut Creek CA 94552 / 925-746-4015

Eryka is a Relationship Manager for Wells Fargo Merchant Services. She has been with Wells Fargo since 2005 and has over 10 years of experience in bankcard and credit card processing services. Currently she manages State of California government accounts in Southern California, state run colleges, transportation, retail business, and quick service restaurants. Her job responsibilities include account management, extensive customer service, proposal development, project management, and customer training. She manages a portfolio of approximately 65 merchants. She holds a Bachelor of Science degree in Political Science from the University of California Los Angeles and has her Masters in Public Administration from California State University Long Beach. Eryka's primary back-up Relationship Manager is Marianne Santana, who can be reached at 925-746-4102.

Public Sector (includes Municipal Corporations) (All Proposers)

1. How long has your organization been providing services to public sector municipal clients?

Wells Fargo has provided banking services to public sector clients since the earliest days of the bank - over 150 years.

2. How many total clients does your firm service in the public sector marketplace?

Wells Fargo has over 5,000 clients in the public sector marketplace.

3. How many total employees does your firm have that service the public sector marketplace exclusively?

Our relationship model is somewhat different than that of many banks; at Wells Fargo you maintain a much closer connection with your Relationship Manager (RM).

All RMs at Wells Fargo are well versed in both credit and treasury. Your Relationship Manager, Julie Wilson, has a variety of clients in her portfolio, including MERC, the City of Portland, and complex private sector clients and non-profits.

That cross-section of clients ensures Julie has added expertise from working with the private sector in addition to her municipal clients. At Wells Fargo, we have found bankers assigned exclusively to the municipal market can often overlook technology not typically used by the public sector. Having exposure to both public and private sectors ensures that new and innovative ideas will be presented to you for review. Julie is located in the Portland office and works exclusively with clients in the Portland metropolitan market.

As an added resource, Julie has direct access to members of our Government Group, who act as advisors to our Relationship Managers.

Our unique relationship model provides the City with Julie's local presence, her experience in working with the City and a variety of other industries, and the added bonus of our Government Group's industry expertise.

4. How many individuals does your firm employ within the State of Oregon?

Wells Fargo employs 5,129 individuals in the state of Oregon.

5. How many public sector clients do you have (as of 12/31/07) with:

While our Collateral group monitors over 5,000 municipal clients, Wells Fargo does not track public sector clients as a classification or by population size, so we are unable to provide those demographics. However, we did poll Regional Commercial Banking Offices (RCBOs) in Oregon, Washington, and California, and researched population size, to give you an indication of our experience. These numbers do not include small relationships that may bank with our branches or (Small) Business Banking Group. We believe that this tally captures the complex relationships we have in the 3 state region.

a. Population or customers greater than 500,000?

For 3 states: approximately 25 clients.

b. Population or customers greater than 200,000?

For 3 states: approximately 14 clients.

c. Population or customers greater than 50,000?

For 3 states: approximately 30 clients.

6. In the last 5 years, how many public sector clients have you won (i.e., clients transferring primary account relationships from a previous firm to your firm), or lost (i.e., clients you elected to rebid but did not successfully retain) with:

Because Wells Fargo services public sector clients locally, rather than from a centralized group, we do not have that information. However, a poll of our 3-state RCBOs indicated the following:

a. Population or customers greater than 500,000?

For 3 states: Approximately 9 wins and 1 loss.

b. Population or customers greater than 200,000?

For 3 states: Approximately 6 wins and 0 losses.

c. Population or customers greater than 50,000?

For 3 states: Approximately 19 wins and 3 losses.

d. Oregon public sector/municipal clients?

For Oregon: 14 wins and 5 losses.

3. Proposer’s Capabilities

On-Line Account Access and Reporting (Banking and Merchant Bankcard Services)

1. What are the minimum requirements for City employees to access the bank’s Internet portal(s) (browser version, processor speed, memory, etc.)?

For clients who use our *Commercial Electronic Office (CEO)* Internet portal, the following table lists our minimum and recommended hardware and software specifications.

Windows-Compatible PCs	Minimum System Requirements	Recommended System Requirements
Web Browser	Microsoft Internet Explorer version 5.5 with 128-bit Secure Sockets Layer (SSL) or Netscape 7 with 128-bit SSL or Firefox 2.X	Microsoft Internet Explorer version 7
Browser Plug-ins and Settings	Adobe Reader 4 (for viewing reports) Macromedia Flash Player 5 (for viewing Tutorials) JavaScript enabled Session cookies enabled	Adobe Reader 7 (for viewing reports) Macromedia Flash Player 7 (for viewing Tutorials) JavaScript enabled Session cookies enabled
Modem/Connection	56 kbps baud modem	Broadband (DSL, Cable Modem, T1, T3)
Operating System (OS), CPU and Memory	Windows XP Home Edition/Professional 500MHz or higher processor 128 MB of RAM Windows 2000 Professional 500MHz or higher processor 128 MB of RAM Windows NT 4.0 with Service Pack 3 500MHz or higher processor 64 MB of RAM Windows 98 500MHz or higher processor 64 MB of RAM	Windows XP Home Edition/Professional 1GHz or higher processor 256 MB of RAM Windows Vista 800MHz or higher processor 512 MB of RAM
Monitor	Super VGA monitor with 800x600 or higher color display resolution	Super VGA monitor with 1024x768 or higher color display resolution

2. What Internet security protocols do you have in place? Is there a second or higher level of authentication when funds are affected? (Yes/No)

It is equally important to the City and to Wells Fargo that your data is maintained and transmitted in a safe and secure environment. Security for the *Commercial Electronic Office (CEO)* portal represents an extensive collection of physical, logical, electronic, and procedural security safeguards that protect your data—whether it is in transit across the Internet or stored in databases at Wells Fargo. Security is a constantly evolving process that involves risk assessment, technical innovation, and continuous maintenance by both Wells Fargo and its users.

Wells Fargo invests significant resources in the development and maintenance of security policies and transaction technologies that are able to manage business risks and protect our customers’ confidential financial data. Customers and Wells Fargo must collaborate to maintain security through adherence to standards of best practices, including password protection and audit controls. By continuously assessing security vulnerabilities and analyzing potential risks from the Internet, Wells Fargo’s security policies identify and mitigate these risks and potential attacks before they can adversely impact our customers’ financial interests. In addition to these technological controls, we maintain hardware in hardened, Wells Fargo-owned data centers. We use biometric authentication to control access to the room(s) containing hardware and secure cages provide additional protection. Physical security in our data centers includes:

- Guards
- Cameras
- Data centers are located in un-marked, non-descript facilities
- Individually assigned cards/badges
- Bio-metrics identification
- Mantraps: A two-door locking system
- Sign-in/out logs and escorts for visitors

Authentication: The *Commercial Electronic Office* portal uses two levels of authentication:

- Authentication using a Company ID, User ID, and password.
- Strong or two-factor authentication using an RSA SecurID fob: *CEO* services such as Wires, Self Administration, and ACH are examples of services that require strong authentication. Users of these services must possess an RSA SecurID fob and enter a passcode, which is a combination of a PIN created by the user upon first access, and a six digit number displayed on their token at that moment. This token code is randomly changed every 60 seconds.

User logins and all *CEO* portal session activity are conducted using 128-bit SSL encryption. During login or when upgrading from light to strong authentication, passwords or token passcodes are masked for security reasons. Additionally, all passwords are stored on our databases using one-way hashing.

3. How are Internet-passwords assigned and changed?

City users are given a temporary password for first use of the *CEO* portal; upon initial sign-on users are prompted to select a new password. The standard for password expiration is 60 days, although the City may elect to use expiration periods of 30, 90, or 120 days. Users may contact a City administrator or Wells Fargo's Treasury Management Client Services to reset passwords. Each user is asked to select secret questions and input answers to those questions, which are used to validate their identity if they call into Client Services. All password authentications are logged for audit purposes.

4. Can the City self-administer its use of the Internet portal(s)? (Yes/No) If yes, what are the control options (e.g., dual, forced dual)?

Yes, the City can administer, maintain, and delete users without assistance from Wells Fargo. The *Commercial Electronic Office* portal Self Administration module allows the City to structure authorization controls and perform administrative functions to meet your specific needs and risk management requirements. Access to the Self Administration service is highly secure. Your designated administrators are required to enter a SecurID token passcode each time they log in to the service.

With Self Administration, you have the options of single, dual, or forced dual control. Forced Dual Control means that the Bank (at your request) establishes certain dual control features, and City administrators cannot change those requirements except by working with the Bank.

Our easy-to-use Self Administration service allows your administrators to:

- Add new users or give users access to Self Administration to share administrative responsibilities.
- Group users by assigned administrators to select groups and limit access to accounts and profiles within that group for better control.
- Reset passwords.
- Delete or disable former employees or those who are on leave or vacation.
- Add user profiles and restrict access to *CEO* portal services.

- Establish standard dual controls requiring specified transactions/functions to be reviewed and approved by a second administrator before transaction can be executed. You can also set up forced dual controls for all tasks performed through the Self Administration service.
- Run management reports showing current *CEO* portal user access levels and 90 days of administration activity history.
- Set up multiple users with similar access controls at the same time
- Reassign RSA SecurID fob to other user.

5. Does your bank have the ability to recognize and accept electronic signatures? (Yes/No) If yes, please describe.

Yes, we have the ability to recognize and accept digital certificates. Wells Fargo Bank is its own Certificate Authority and issues X.509v3 digital certificates. Certificates are required for session level authentication on our Secure File Transport suite of Internet protocols.

6. Have there been instances where your Internet portal(s) were not functioning? (Yes/No) If yes, please describe frequencies and duration.

Yes, there have been instances when our Internet system was not fully functional; however, in Wells Fargo's experience, significant system downtime is extremely rare. Software is thoroughly tested prior to release, and we maintain redundant hardware for key operations. The *Commercial Electronic Office* portal was available an average of 99.77% of the time in the Year 2007.

In August 2007, we experienced an outage that impacted our ability to deliver some services. It occurred on a Sunday afternoon and our services were restored on Monday evening. This was an event without precedent in our recent history. We have learned major lessons and have acted upon them to ensure this type of event does not occur again.

Should a system be impaired, Wells Fargo notifies customers of delays through a system status screen on the *Commercial Electronic Office* platform home page. Our system status is monitored and updated 24 hours a day, seven days a week.

When you use the *CEO* portal to access information reporting on your Wells Fargo accounts, colored indicators next to the name of each of your *CEO* portal applications show the current system status. Green indicates the application is available and operating normally. Yellow indicates the application is available but some components may not be operating at normal levels. Red indicates the application is currently unavailable. With yellow and red indicators, Wells Fargo will post updates to describe the problem and expected system availability.

7. What is your bank's contingency plan for providing services in the event that the Internet portal(s) are not functioning properly? Please address prior day reporting, controlled disbursement reporting, positive pay exception reporting and decisions, sending fed wires out and reporting fed wires in, initiating ACH transactions, and creating ARP registers.

Due to the interdependency of applications at Wells Fargo, our corporate-wide philosophy is that all applications, whether supporting critical, important, or deferrable business functions, must be recoverable. The recovery solution for the *Commercial Electronic Office* portal is geographical redundancy, in which we have created a duplicate environment in a separate location. The alternate site is used for high availability, deploying code enhancements, and disaster preparedness simulations, and is therefore, actively monitored. This solution means that we don't have to use outside vendors to "fail over" to the recovery site. The recovery of the *CEO* service infrastructure has a zero to two hour window.

Our business continuity plan includes multiple recovery strategies for each core function, product, and service. Wells Fargo processing of core business functions will automatically divert to identified backup sites as necessary in the event of an unexpected disaster or emergency. Each site has the ability to transfer workload and backup any of the other sites as needed.

Wells Fargo and your relationship management team will work with you on an individual case-by-case basis to determine the most effective ways to exchange data and information. Successful contingency plans are generally set up in advance and are an ongoing part of emergency planning.

Prior Day Reporting, Controlled Disbursement Reporting, and Fed Wire Reporting

Should you experience an issue pulling information reports, please contact your Client Service Officer (CSO) immediately. Your CSO will be able to update you on the status of the system and may be able to provide the information in an alternative format.

Positive Pay Exceptions and Decisions

If the City knows your pay/return decisions (i.e., if Image Positive Pay goes down after you have seen your exception items), you can email or fax pay/return decisions to Treasury Management Client Services. In this situation, Wells Fargo may contact you to manually work through exception items over a dollar threshold we have assigned internally. Or, we may extend the decision deadline, depending on the timing of the outage.

If the City is unable to view exception items, Wells Fargo will manually review exception items over a dollar threshold on behalf of the City. If we cannot resolve exceptions, we will call the City or default to the account pay/return defaults. Or, we may extend the decision deadline, depending on the timing of the outage.

Fed Wires (Outgoing)

The City can enroll in backup channels that may be used in the event access to your primary channel is interrupted. Such backup may include manual phone and/or fax initiation of wires if necessary, with security provided via existing authentication procedures such as IDs, PINs, and account numbers.

ACH Transactions

ACH backup options include direct transmission, Internet ACH, and Secure E-mail (used on a case by case basis). If such workaround processes become necessary, your relationship management team will work with the City to determine the most effective way to process file information back and forth.

ARP Registers

Files can be sent to the bank via direct transmission, provided the City department is already set up for ARP direct transmission. Or the City may fax an Excel spreadsheet of registers for manual input overnight, dependent on volume. Our Client Service group can also be provided with check issue information to ensure that employees cashing checks are inconvenienced as little as possible.

8. What is the latest time that the previous day summary and detail information is available in the morning on-line? Is it available in both BAI and a printable format? For how many days is it maintained on-line?

Your Previous Day Composite Report is available by 4:00 a.m. PT Tuesday through Friday and 6:00 a.m. PT on Saturday. It can be downloaded in BAI 2 file format, as well as CSV and Excel formats and can be viewed and printed in HTML and PDF formats. Our standard is to provide access to seven calendar days of history. We also offer the City extended storage of transaction history for 30, 60, or 90 calendar days.

9. In regard to the bank's Internet services for initiating wires:

a. Can the City send template, freeform and book transfers over the Internet? (Yes/No)

Yes. The City may initiate wire and book transfers through the Internet, via the *Commercial Electronic Office* portal. *CEO* Wire Transfer allows you to transmit funds electronically from your designated Wells Fargo accounts to third parties at Wells Fargo or other banks, both domestically and internationally, as well as to City accounts. Payment types include: book transfers, domestic wires, drawdowns, international single currency wires and international cross currency wires. You have the option of sending same-day or future-dated transfers, templated or freeform.

You can use the freeform transfer feature and supply all payment information at the time you create the transaction. Or, you can create and maintain a set of template transfers that include pre-authorized, predefined payment instructions, all of which are stored on Wells Fargo’s servers. Flexible customization features allow you to tightly control which functions your staff can access, and you can use the service’s comprehensive reporting features to closely monitor your transfer activities throughout the day.

With our File Upload Service, *CEO* Wire Transfer customers have a convenient and easy way to implement “batch” wire capability. With File Upload, you can enter freeform or templated wires into a specially formatted Excel spreadsheet template and upload the file. You can then easily modify, delete or approve the uploaded wires.

b. Are two individuals required, one for initiation and one for approval? (Yes/No)

Yes, we encourage dual control and secondary approval on all non-repetitive wires initiated via the *Commercial Electronic Office* Wire Transfer service. The system can be set up to require one or two users to log on and approve the wire prior to the release of the transaction. Dual control can also be required for repetitive wires, telephone initiated wires, book transfers, and creating templates.

c. How far in advance can wires be set up?

Wells Fargo accepts future-dated domestic and international wire transfers of up to 60 calendar days through all of our initiation methods. Our Standing Transfer Order service allows for the automatic initiation of domestic and international wires, and domestic drawdown wires, based upon predefined parameters, including date.

d. How quickly are you able to confirm both incoming and outgoing wires?

Our Wire Transfer Detail and Intraday Composite reports both provide real-time data of incoming and outgoing wire transfers. These reports provide payment confirmation information, including our internal bank and Fed reference numbers, via *CEO* Treasury Information Reporting. For *CEO* Wire customers, a wire report is also available. This report indicates whether the wire has been initiated, approved, and processed by the bank. If processed, the report shows our internal confirmation/sequence number. After the Federal Reserve has received the wire, the report will show the Federal Reserve reference number.

e. What are the deadlines for correcting errors and how are they handled.

We allow the City to cancel wire transfers anytime prior to their release for processing to the Federal Reserve, SWIFT, or our internal posting system. Cancellation requests should be directed to your Relationship Manager or our Wire Transfer unit by 2:30 p.m. PT and before we release the wire transfer. Our deadline for best-efforts cancellation of a wire transfer is 5:00 p.m. PT. If we have processed the wire and released it, we can contact the appropriate party and request the funds be returned. However, the receiving bank is under no obligation to return the funds. If the receiving bank returns the funds, they will be immediately credited to your account.

10. What are the timing requirements for initiation of ACH transactions (both file transmissions and Internet based)? When do transfers occur during the day? What is the procedure and deadlines for corrections or cancellations?

You may send files anytime, **24 hours a day, 7 days a week**, although settlement is subject to the deadlines in the table below. Wells Fargo distributes files to the Fed 5 times each business day. For files transmitted with an effective date of a holiday or weekend, the transactions will automatically settle on the next business day.

Customer Input Method	Cut-Off Time	
	One-Day Settlement	Two-Day Settlement
Direct Transmission	6:00 p.m. PT for next day settlement	9:00 p.m. PT for two day settlement
Internet ACH	6:00 p.m. PT for next day settlement	6:00 p.m. PT for two day settlement

We offer a flexible, easy-to-use process for handling file, batch, and item reversals and deletions. Accessible through our *CEO* portal, our ACH Deletes & Reversals service gives authorized users the ability to initiate both delete and reversal requests. The deadline for delete requests is 1:00 p.m. PT, two business days before the posting date for two-day items, or one business day before the posting date for one-day items. Per NACHA guidelines, reversal requests must be submitted within five business days after settlement. The deadline for reversal requests is 1:00 p.m. PT on the 5th day after settlement.

Only authorized users can initiate delete and reversal requests. Your Security Administrator can restrict access to this service through the *CEO* Self Administration application.

11. What is the latest time the bank’s EDI report of current day ACH credit/debit postings to the City’s accounts is available? In what formats is the report available (e.g., fax, Internet)?

EDI Payment Detail report data is available at 5:30 a.m., 10:00 a.m. and 3:00 p.m. PT. Payments received by EDI after 2:00 p.m. will show on the report after 5:30 a.m. PT the following day. You receive full remittance information on all payments that you receive. Payments may contain those received from ACH, including those in CTX format, and from EDI sources using the ANSI X12.820 transaction sets. The report can be viewed in HTML or PDF formats and downloaded in BAI 2, CSV, or Excel formats.

In addition, our ACH Receive report reflects incoming ACH information 60 to 90 minutes after the ACH system processes the transactions and is available in HTML, PDF, BAI 2, Excel, and CSV formats. You can receive notice by email, text message or fax when intraday ACH activity is received with our optional Event Messaging service.

12. In regard to your bank’s positive pay service:

a. Which check fields are matched?

Our Image Positive Pay service with Payee Validation matches the serial number, dollar amount and payee name of a presented check to your issue file.

b. What is the latest time that current day exceptions are reported?

Current day exception items are reported to the City through the *CEO* business portal; deadlines are dependant upon the type of Positive Pay utilized:

- **Perfect Presentment® Positive Pay for Van Wert/Greenville Controlled Disbursement:** All encoding errors are reviewed and corrected prior to posting; that means you no longer deal with an item posting and then being reversed when it is returned. This is a “scrubbed” report - only true “suspects” will appear on the Positive Pay Exception report. Images of the exceptions are available to assist with the decision process. This is a same-day Positive Pay process.
- **Positive Pay:** All encoding errors are reviewed and corrected prior to customer reporting. This is a “scrubbed” report - only true “suspects” will appear on the Positive Pay Exception report. Images of the exceptions are available to assist with the decision process.
- **Basic Positive Pay:** Encoding errors are NOT reviewed or corrected prior to customer reporting. This is an “unscrubbed” report - encoding errors may appear on the Positive Pay Exception report. Images of the exceptions are available to assist with the decision process.

Service	Customer Reporting	Image Available Deadline	Customer Decision Deadline
Same Day Exception Reporting for Controlled Disbursement Accounts			
Van Wert <i>Perfect Presentment</i> Positive Pay	12:00 p.m. PT (same day)	12:00 p.m. PT (same day)	11:00 a.m. PT (next day)
Greenville <i>Perfect Presentment</i> Positive Pay	12:30 p.m. PT (same day)	12:30 p.m. PT (same day)	5:30 p.m. PT (same day)

Service	Customer Reporting	Image Available Deadline	Customer Decision Deadline
Next Day Exception Reporting for Non-Controlled Disbursement Accounts			
Positive Pay	9:00 a.m. PT	9:00 a.m. PT	2:00 p.m. PT
Basic Positive Pay	5:00 a.m. PT	6:00 a.m. PT*	12:00 p.m. PT

* 98 percent of images requested will be available by 6 a.m. PT. Additional images will be made available by 10:30 a.m. PT.

c. Can images of exception items be viewed over the Internet? (Yes/No) If yes, at what time are images available?

Yes, online check images are fully integrated into all of our Positive Pay service options. Images are available at the same time as the exception reporting times noted in Question 12.b above.

d. What time is the decision deadline?

Please see the chart in Question 12.b above.

e. Are a certain number of exception items free to the City to compensate for bank encoding errors? (Yes/No) If yes, how many?

Yes, with our Basic Positive Pay service, the first 10 exceptions are free. With our other Positive Pay services, this is not necessary since we review all Positive Pay exception items, correct any encoding errors, and report only unresolved exceptions for your pay or return decision.

13. When placing a stop payment on-line:

a. What fields are entered?

Through our *CEO* portal Stops-Images-Search service, the City can search for stop-eligible items by inputting the check number or range of numbers, amount or range of amounts, and posting date or range of dates. Then to initiate a stop, you need only select the account and enter up to 10 check numbers at a time.

b. Is the check immediately confirmed as outstanding?

Yes, when a stop payment order is submitted, our system automatically verifies whether the check was paid before the order is accepted. If you try to place a stop payment on a check that has already posted, you'll get a Posted Items Found message and detail on the posted check including the check amount, type code and transaction type, description and posting date. In verifying if a check has been paid, the system examines 180 days of history, as well as intra-day teller cashed activity for non-controlled disbursement accounts. Stop payment requests can be made as late as 6:00 p.m. PT and still receive immediate same-day posting.

c. Is the stop payment immediately assigned a confirmation number?

Yes, the stop payment is immediately assigned a confirmation number.

d. How long are stop payments in effect?

Stop payments remain in effect for six months. After this period, the City may take advantage of our Stop Renewal service. Stop Renewal gives you the ability to extend stop payments for up to six years (in 12 month increments), specify a pre-determined dollar threshold for automatic stop payment renewal, limit the number of times a stop payment will be automatically renewed, etc. The first renewal is free of charge.

As an added measure, when a customer uses the stale date option associated with Account Reconciliation, Wells Fargo returns checks presented for payment after a specified period of time. Customers subscribing to Positive Pay may elect to have stale dated checks reported daily with their Positive Pay exception checks.

14. In regard to your bank’s controlled disbursement service:

a. If you have multiple control points, what site are you recommending for the City and why?

The City currently utilizes our Greenville, SC Controlled Disbursement endpoint, which offers early morning presentments and the float benefits associated with an East Coast site. An alternative the City may want to consider is our Van Wert, Ohio site. This site, wholly-owned and operated by Wells Fargo, also gives you the advantages of an East Coast site, coupled with a slightly earlier final presentment. It is now considered our “premier” Controlled Disbursement endpoint.

b. What detail is reported (holdovers, presentments, adjustments, etc.)?

You make funding decisions based on the daily clearing amount that is reported to you, which includes holdovers and adjustments. Therefore, it’s important that the amount that’s reported is both accurate and firm, and not subject to change. Because of the way we handle the presentment process, the presentment totals are final once the funding report is made available to you. Any additional items that are presented are held over until the next day. This lets you make funding decisions with full confidence that the final amount will not change.

Controlled disbursement notification reports are available online via *CEO*, by email, or by fax.

c. What is the latest notification time?

Van Wert customers receive two presentment notifications Monday through Friday, excluding Federal holidays. The first presentment is at 6:00 a.m. PT and the second presentment is at 7:00 a.m. PT. Greenville customers also receive two presentments. The first presentment is at 5:45 a.m. PT and the second presentment is at 7:15 a.m. PT.

d. How many times have you missed the notification time within the past 90 days and what is the average length of time by which you missed the notification?

As a rule, Wells Fargo is consistent in meeting our presentment deadlines, as shown in the table below.

Van Wert Site		Greenville Site	
Presentment	Previous 90 Days (as of May 31)	Presentment	Previous 90 Days (as of May 31)
1 st Presentment	100%	1 st Presentment	100%
2 nd Presentment	100%	2 nd Presentment	97%

For our Greenville site, we missed our 2nd presentment deadline 2 times in 90 days – once by 3 minutes and once by 18 minutes.

15. The bank must provide bank account statements monthly or based on 13 accounting periods as requested by the City.

We are able to provide monthly or fiscal calendar statements as requested.

a. Are statements available over the Internet? (Yes/No) If yes, is that an extra cost option? Can they be downloaded into Excel? (Yes/No)

Yes, statements are available over the Internet at no extra cost for PDF format. Additionally, statements can be downloaded in Excel and CSV formats for an additional charge.

b. How soon are statements available after accounting period end?

The following table lists the mailing dates and online availability of statements and optional reports. The CheXstor[®] check truncation service is standard with all of our Account Reconciliation service options.

Service Option	Business Days After Cutoff When Mailed	Business Days After Cutoff Available Online
Bank statement, <i>CheXstor</i> , no Account Reconciliation (ARP)	3 days	1 day
Bank statement with check return	4 days	1 day
Full or Partial ARP with Positive Pay and <i>CheXstor</i> or check return		
Month-end cutoff	6 days	4 days
Non-month-end cutoff	4 days	4 days

16. In regard to the bank’s merchant bankcard services portal:

- a. Are monthly statements available with a summary of sales by card type and all fees for each merchant account?**

Yes, ClientLine[®], the Wells Fargo Merchant Services online reporting tool, allows the City to download monthly statements. Statements are segmented by card type, merchant location, and fee charges.

- b. Will the portal support drill-down to individual transactions to enable research into chargebacks?**

Yes, *ClientLine* allows the City access to individual chargebacks for research. Chargebacks and Retrievals can be viewed further by reason codes, enabling the City to identify potential opportunities to reduce chargeback processing expenses for each location.

17. Do you plan on any upgrades to your on-line banking system(s) or software in the next 12 months? (Yes/No) If yes, please describe.

The City needs financial tools that can adapt to changes in processing and in the banking system. Because the *Commercial Electronic Office* portal is Internet-based rather than software-based, it offers a shorter development time. We can upgrade the system quickly, making changes available to you immediately rather than through inefficient and cumbersome distribution of downloads, CDs or patches. As a result, we can keep up with the ever-changing banking environment.

Not only does Wells Fargo have the resources to respond to technological advances in the banking system, we actively solicit feedback from our customers as we plan new upgrades. Customer feedback has been a key driver in the success of the *CEO* portal, which now supports over 70% of our corporate and commercial customers. Through a formal *CEO* portal customer feedback program, we use focus groups, customer visits, executive meetings, and surveys to collect customer comments and suggestions. To date, we’ve gathered more than 2,500 ideas and suggestions and over 750 of those customer comments have already been incorporated as product enhancements. Also, we have six customer advisory boards focused on treasury management that meet twice a year to discuss ideas and plan new product enhancements.

Wells Fargo’s product usability and research laboratory ensures that new services truly meet customer needs. Our customers test new applications for ease of use and functionality in our lab during the development process. This allows us to identify and fix any user problems or shortfalls early in the product development process. No new product is rolled out until all identified issues have been addressed.

One of Wells Fargo’s major initiatives starting in 2008 and continuing over the next 2 to 3 years is Information Scheduling & Delivery. This service will allow us to provide our customers with the information they want, when they want it, how they want it and however they want to receive it. Information Scheduling & Delivery will be applied across many products and services, including Treasury Information Reporting, Direct BAI information reporting, Statements and Notices, CEO WorkstationSM, CEO MobileSM and more.

Information Scheduling & Delivery will be a one-stop solution where customers can select data and delivery preferences:

- Data Content, such as:
 - Data Type – i.e. Deposit, Wire, Returns, Previous Day, Intraday, etc.
 - Data Details – i.e. Summary Only, Detail and Summary, Images, etc.
- Delivery Method, such as:
 - File Transmission
 - Fax
 - M2M
 - SWIFT
 - Event Message/Email Notification
 - Secure Email Content Delivery
 - Online *CEO*
 - *CEO Mobile* Browser
 - Mobile SMS Text
 - Instant Message
 - Voice

Customers will also be able to select when and how they want to receive data:

- Schedule – Based Upon Data Content Selected, such as:
 - When Data or Report is Generated or Sent
 - When Data is Available (Event Triggered) or Specific Time(s) of Day (Scheduled)
 - Every Day or Specific Days of the Week
 - Others
- Format – Based Upon Data Content and Delivery Method Selected, such as:
 - BAI, CSV, Custom, SWIFT
 - Standard Report Layout, Customized
 - Others

With Information Scheduling & Delivery, our customers and individual end-users will even be able to customize the look and feel of particular applications for a truly personalized experience.

Another *CEO* portal upgrade we're currently in the process of rolling out is Interactive Client Analysis Statements on our *CEO* Statements and Notices service. The interactive statement will allow the City to electronically interact with your analysis data and personalize it based upon your needs. Wells Fargo is the only bank in the marketplace with this capability. Features and benefits of the new service include:

- Price changes and new charges are clearly identified
- New customized views with drill down capability and flexible formatting
- Statement data is now available for 12 months
- Customers can compare current to previous month's balances, activity, and charges
- Graphic representations of analysis data trends are available

18. Please provide a sample of the following as Appendix 3:

- **A detailed monthly bank account statement**
- **A detailed monthly merchant bankcard account statement.**
- **Internet prior day account summary and detail transaction posting showing ledger balance, collected balance, float balance, etc.**
- **Account analysis statement and user guide**

We have attached a monthly bank statement, a merchant bankcard statement, a sample prior day report, and an account analysis statement as Appendix 3 in Tab 12. We have also included sample pages from our glossary of account analysis elements – the entire glossary can be viewed on *CEO*, or we'd also be happy to send you a hardcopy upon request.

Depository Services (Banking Services)

1. What is the latest time of day deposits may be made at the downtown branch serving City Hall for same-day credit?

Our 5th and Jefferson branch is next door to City Hall. Deposits received at all our branches by 4:00 p.m. Monday through Thursday and by 6:00 p.m. on Friday receive same day credit.

Other deposit options include Desktop Deposit[®], Cash Vault, Night Drop, or courier delivery directly to our Item Processing Center (checks only). Many of these options will extend your deposit deadline for same day credit.

- The deadline for the *Desktop Deposit* service using the *Commercial Electronic Office* portal is 7:00 p.m. PT.
- For cash vault deposits, different deadlines apply for mixed deposits (cash and checks on the same deposit slip) and split deposits (cash and checks on separate deposit slips). Our Portland vault has deadlines of 5:00 p.m. for mixed deposits, 6:00 p.m. for check only deposits and 7:30 p.m. for cash only deposits.
- The deadline for night depository deposits is 6:00 a.m., Monday through Friday.
- Item Processing Center check only deposits are accepted until 9:00 p.m.

2. Can cash vault deposits be dropped off at a satellite location (e.g., a bank branch) and transferred to the cash vault internally by the bank? (Yes/No) If yes, describe the options.

Yes, branch deposits can be prepared using our two-section, disposable, tamper-evident Stagecoach DepositSM bag. Your deposits can be dropped off at a branch without waiting for the cash to be counted. You will receive a receipt and same day provisional credit, and your cash is verified later, either at the branch or at our cash vault. Many of our full service branches accept *Stagecoach Deposits*, including the two that you use most frequently, at 5th and Jefferson and 6th and Morrison. Smaller branches may not be able to accept large cash deposits because of vault and custody limitations.

3. Describe the bank's procedure for requesting change/currency orders (both cash vault and tellers).

City staff can place change orders one of two ways; through our *Commercial Electronic Office (CEO)* portal, or through our automated touchtone telephone ordering system. The *CEO* portal can be used to place orders for a single location or multiple locations. To simplify the ordering process, your staff can also upload change order details in an Excel spreadsheet.

With our touchtone ordering service, each location is assigned an ID and password that is required to access the system. To maximize security, you can also establish a maximum order limit per location.

Once the order is submitted, change orders are filled using a procedure called blind, dual control. Dual control means that two associates must verify that the dollar amount is correct. Blind means that the second associate does not know the original amount of the order. These procedures ensure that the amount is correct. Once verified, orders are placed in clear plastic bags and sealed. Orders are then delivered to your designated location via armored carrier, usually on a next-day basis. Where applicable, electronic reports and statements will include location numbers where change orders were sent.

Change order deadlines for our Portland Cash Vault are 10:00 a.m. for orders placed via *CEO* or Transmission, 10:30 a.m. for touchtone telephone orders, and 3:00 p.m. for armored carrier pickup.

Wells Fargo branch locations can also assist you in processing your change orders.

4. In regards to the processing of returned items, what is the time elapsed between:

- **First and second presentment**
- **Second presentment and sending advice of charge with return items**

Our standard process for paper returns under \$300 is to redeposit the items on the next business day. If over \$300, we charge the item back and mail it to you. However, we can accommodate almost any special processing the City desires, i.e. reprocess all items, or items under a City-specified threshold. If the item fails a second time, the chargeback debit, paper advice and original/Image Replacement Document (IRD) go out the same day we receive the item back from the Maker's Bank. In addition to paper advices, the City has the option of viewing the return item through *CEO's* Returned Item module next day, or intra-day if the City is using Return Item Decisioning, a service where the City can override your returned item instructions.

We also offer our Electronic Returns (RCK) and Smart Decision[®] services, whereby returned checks are automatically converted to electronic ACH debits. With these services, the City receives two redeposit attempts and you can select the timing of the redeposit. The default redeposit is the next day, but other options include: elapsed number of days, day or the week or day of the month. The timing for the first redeposit and the second redeposit may differ. If the item becomes a chargeback, we follow the same procedure as above with the debit, advice, and IRD occurring the same day we receive the item back from the Maker Bank.

5. Describe the process and timing for deposit corrections or other credits or charges to our accounts. When these entries are made, is notification provided to Treasury or a designated bureau? How soon should it be received?

A deposit adjustment is made when the amount declared on your deposit slip differs from the amount later verified by the bank. We mail you a notice of the amount of the adjustment, with relevant back-up documents. Mailed notices provide complete transaction detail, including City location number and the specific reason for the adjustment. Check deposit adjustment notices are now also available online through *CEO* Statements & Notices at no charge, usually on a next day basis. The City can receive email, text message, or fax notification that an adjustment is available for viewing through our Event Messaging service. Paper notifications can be sent to Treasury or to a designated bureau.

Deposit corrections are specifically identified by source and nature of the transaction on your bank statement, balance reporting and deposit reconciliation reports. The declared amount on the deposit slip is always credited to your account, with separate debit/credit entries made for adjustments.

For faster and easier access to your cash vault deposits and adjustments, *CEO* Cash Vault Inquiry provides you with the ability to search and confirm your cash vault deposits and view deposit adjustments. The cash vault also calls the City regarding any adjustments in excess of \$50. Cash vault adjustment notices include deposit date, declared amount, verified currency total by denomination, and location number (if applicable). For branch deposit adjustments, your adjustment notice will include the amount and reason for the adjustment. For deposits to a subaccount, the location code will also be provided.

We report adjustments to you within 48 hours, to the contact of your choice.

6. Describe the bank’s problem resolution process for missing deposits, deposit amount differences, and account adjustments.

At our cash vaults, deposit bags are logged via a barcode that tracks the deposit through the entire verification process. Deposit bags are opened under team custody and emptied deposit bags are saved under batch IDs for up to three months in case research is needed. All currency discrepancies of \$10 or more are reported to a supervisor at the time they are discovered. Supervisors must validate any deposit discrepancies before processing continues. For all currency adjustments over \$50, the supervisor will call your designated contact to make you aware of the difference.

Our automated operating system enables us to track deposits by customer, date, location, and vault teller, and to monitor each handoff of your deposit throughout the validation process. This comprehensive process ensures your deposit is accurately processed and verified, and it virtually eliminates the risk of loss due to theft or fraud.

The City of Portland has a dedicated Client Service Officer, Sam Cady, who services your day-to-day needs, including problem resolution for deposit discrepancies. Sam is your single point of contact; he serves as a liaison between the City and bank operations in our cash vault, branch, and check processing sites. Sam will take ownership of the issue until resolution is achieved. He has desktop access to a multitude of electronic systems for problem research and is part of our centralized Treasury Management customer service center that includes an infrastructure to track issues, identify the root cause of any errors, and ensure timely resolution. If a mistake is discovered in your analysis, we will correct it with an adjustment. Balance and float adjustment information is printed on the statement in a section called “Balance Adjustments.”

Your Relationship Associate, Melody Madison, is an additional resource when dealing with more complex issues. Melody works closely with your Relationship Manager, Julie Wilson, and helps support her clients. The City of Portland has access to an entire relationship management team, with Julie having overall ongoing responsibility for your relationship.

7. Describe the procedure for ordering supplies (e.g. pre-printed encoded deposit slips, coin rolls, currency straps, deposit bags, etc.). Indicate the turnaround time between ordering and receiving these supplies.

The City can order bank supplies directly from Wells Fargo’s supply desk at 1-800-AT-WELLS or from a vendor of your choice. The Wells Fargo supply desk turns standard orders around same day if ordered before 10:00 a.m. PT. Standard mail delivery is 7-10 days, and overnight and two-day delivery is available for a fee.

8. Can the bank provide on-line access to images of deposited items? (Yes/No)

Yes, Wells Fargo allows you to search for images of deposited checks online using our *CEO* portal Stops-Images-Search service. The *CEO* system lets you search for, and request, check images for deposited items and returned items for up to 180 days. Items are available one business day after posting to your account. Images are retained for seven years and can be requested through Treasury Management Client Services after the 180-day period. We also offer transmission of electronically deposited item images through our Image File Import service.

Disbursement Services (Banking)

1. The City currently receives paid checks for two accounts (payroll and accounts payable) in an imaged format on CD-ROM; however paid checks are viewable on the Internet before the CD-ROM is received. What is the turn-around time for providing CD-ROM’s or photocopies of paid checks? What is the procedure in the event you cannot provide a readable CD-ROM or photocopy in a timely manner?

At Wells Fargo, we give you multiple options for receiving check image detail. You can receive check images on CD-ROM through our WellsImage® CD service, online through *CEO* Stops-Images-Search, or by electronic transmission through our Image File Import service.

WellsImage CDs can hold up to 30,000 check images (front and back) and can be delivered on a weekly, monthly, or fiscal calendar basis (45 days between statement cycles). They are available eleven business days after the CD ROM cycle cut-off. Data and images can be archived and viewed via the Bank's state-of-the-art *WellsImage Viewer*TM software. If the City should need a CD-ROM recreated, you would contact your Client Service Officer within 60 days of the original CD-ROM creation date.

Our Stops-Images-Search service makes images available for retrieval by 6:00 a.m. PT the day after they're posted. In addition to viewing items online, you can also print or download them to your computer. Once downloaded, check images can be faxed, emailed, etc. Online images are available for up to seven years. Items older than 180 days are delivered to you online within 24 hours on the next business day after the request. If the check image is not readable, our Client Services department would first try to get a better copy internally. If that isn't possible, we attempt to obtain a better copy from the presenting bank.

Our Image File Import service provides a daily transmission of paid check images and associated index information. Your image files will be available for downloading into your own internal archive system as early as 8:00 a.m. PT the day after posting. Files can be sent to you in XML or PDF formats.

Merchant Bankcard Services

- 1. As a processor, what credit/debit processing networks will your organization utilize in providing processing and settlement? Are different networks used for different types of bankcard processing applications? If so, please explain.**

Wells Fargo Merchant Services is a partnership between Wells Fargo Bank and First Data Corporation, utilizing First Data's processing network. Debit card transactions are processed via local and national debit networks including ACCL, Alaska Option, Interlink, NYCE, Shazam, Star East, TYME, AFFN, Credit Union 24, Maestro, Pulse, Star West, and Star Northeast.

- 2. What backup procedures are available in event of a network failure? How will we be notified of network failure?**

Wells Fargo Merchant Services has four fully operational Data Centers. Normally merchants are configured to at least two Data Centers. In order to exploit network diversity and processor redundancy, the authorization software is required to have the capability to route transactions to either data center in the event of an outage. Redundancy testing occurs as follows:

Authorization:

- Network failover and recovery is tested with our large merchants' assistance four times per year.
- Our geographically distributed architecture insures that a single site failure will not impact authorizations. Clients capable of employing the multi-site features available, including load balancing, have experienced 100% authorization "up-time" availability for several years in a row. This is not a guarantee of future availability, but a statement of historical performance.

Settlement:

- Wells Fargo Merchant Services uses its own recovery facility known as CommSite2 in Omaha, NE for disaster recovery to the settlement mainframe system.
- The primary and secondary platforms are geographically distributed to insure that a single site failure will not impact clients.

All Authorization systems have back-up capacity through redundancy. Due to our highly redundant, server-based processing platforms, backup disaster recovery services have never been used. We have never experienced a Data Center failure or outage significant enough to require their use.

The high level of redundancy in our processing platforms and individual servers virtually eliminates any hard down time situation. The servers are in constant rotation for maintenance. Although tested, our backup disaster recovery services have never been used in production as a result of a disaster.

In the event of a wide scale catastrophic event our expected recovery times would be negligible for our authorization networks to become operational, and a maximum of 36 hours for settlement platforms to fully recover.

Wells Fargo Merchant Services has maintained an outstanding record of availability averaging 99.99%; however, our SLA to our customers is 99.95%.

Outages are communicated via your Relationship Manager as well as by messages from your point-of-sale processing equipment.

3. If a bureau transmits data and there is a transmission failure, who is responsible for notification of the failure, how will it be discovered and when will it be communicated?

A full or partial file acknowledgement file is included in the settlement process at no charge and returned through the Point of Sale device. Depending on the processing method (example: Dial, IPN, Frame) connectivity failure communication is provided in one of two ways:

1. Terminal base merchants - With connectivity failure, a report is immediately returned back to the terminal. This report is then printed from the point of sale device. The terminal acknowledges if the settlement is unsuccessful or successful. Currently the City has a collection of various hardware terminals for your business needs. To date there have been no issues regarding the connectivity of the City's terminals where they have been down for more than 24 hours.
2. For non-terminal failures there are various acknowledgements, reports, and files available. Transmission failures can be a result at the merchant level or at the processor level. On the merchant level, notification is communicated immediately through standard FTP codes in the dialog boxes. Errors at the processor level are managed through an automation process which is monitored 24/7. If a transmission fails, we are notified of the error immediately and initiate the necessary remedy. Most transmission failures are resolved at the time of notification without the merchant's involvement. If action is required by the merchant, we will contact you via the contingency plan provided by the City. Most errors are resolved within 24 hours. If further action or time is necessary for a resolution, the City will be notified at that time.

4. Discuss your operational procedures for settling payment and credit/debit records, identifying what time(s) batches sent to your organization for processing and settlement will be forwarded through the settlement network(s) for final settlement; the actual time after batch submission when money will be deposited into the City's accounts and; any cutoff times that must be met to insure settlement by the times listed.

Wells Fargo Merchant Services has an 11:00 p.m. PT cut off for receiving settlement files for dial terminal based processing. Settlement times for other transmission methodologies vary. Files received by the cut off time will typically be posted to a Wells Fargo Merchant Services DDA account the next business morning by noon Pacific Time. These timelines apply to Visa, MasterCard, and debit activity. Funding to non-Wells Fargo accounts or POS system may result in funding delays due to ACH processing times.

Data capture files received by the established call times are funded in the following manner:

VISA, MASTERCARD, PIN DEBIT, DINERS – LICENSE AND JCB - LICENSE					
Transaction Day	Dial Batch Settlement File Submission	Settlement File Processing	Wells DDA Funding	Wire Transfer Funding	ACH Funding
Mon	Tue	Tue	Tue	Tue	Wed
Tue	Wed	Wed	Wed	Wed	Thurs
Wed	Thurs	Thurs	Thurs	Thurs	Fri
Thurs	Fri	Fri	Fri	Fri	Mon
Fri	Sat	Sat	Mon	Mon	Tue
Sat	Sun	Sun	Mon	Mon	Tue
Sun	Mon	Mon	Mon	Mon	Tue

Non-bank card funding depends on the contractual arrangement that the City maintains with the specific card issuer. Wells Fargo Merchant Services can assist merchants in establishing or reviewing these arrangements. Wells Fargo Merchant Services will transmit settlement files to:

- American Express: All AMEX files are transmitted at 8:00 a.m. PT every day, and are sent by PCID numbered batches; all files are sent at one time during the day.
- Discover: Files are sent after the respective merchant’s cut, so it depends which cut each merchant is assigned. The average time that files are sent is generally 2:00 a.m. PT and 3:00 p.m. PT.

5. Provide a copy of any terms and conditions for credit/debit card processing, chargebacks and security procedures that bureaus will be required to follow in Appendix 4.

A copy of the Wells Fargo Merchant Services Program Guide has been included for your reference. It contains all terms and conditions required by Wells Fargo Merchant Services as well as the Card Associations.

6. Does your organization have a help desk or 1-800 line support available for use by bureau personnel? Please describe the level of help available through the facility, the hours of operation/availability, and any costs associated with this service.

Wells Fargo Merchant Services does not charge for customer service. The Wells Fargo Merchant Services Customer Service Center is available 24/7/365. Your dedicated Merchant Services Relationship Manager, Eryka Cain, is available from 8:00-5:00 Pacific Time. Her services include, but are not limited to:

Information Security Consulting – Cardholder information security is extremely important. Wells Fargo Merchant Services will work with you and our preferred vendors to ensure that the City meets all requirements for Payment Card Industry (PCI) Data Security Standards.

Association Compliance Reviews and Updates – All merchants must comply with Visa and MasterCard operating regulations. From time to time the Associations introduce new rules and your Wells Fargo Merchant Services Relationship Manager will help ensure that you are kept up to date and work with you as necessary if variances or extensions are warranted.

Interchange Management – Your Relationship Manager can review your transaction activity with you to help ensure that you are achieving the best possible interchange qualification rate and will provide guidance and suggestions for optimizing transaction processing.

Chargeback Analysis – Customer Service can provide you with a detailed analysis of your chargeback activity, by chargeback reason code and will suggest ways that you can reduce chargebacks.

Chargeback Triage – Visa and MasterCard require that chargeback to sales ratios are not excessive. Wells Fargo Merchant Services will proactively monitor your merchant account to identify trends that may indicate a growing problem with chargebacks and recommend strategies and tactics to reduce chargebacks. If chargeback volumes exceed Association parameters, Wells Fargo Merchant Services will partner with you to develop a Chargeback Reduction Plan and will work with the Associations to communicate your plans and progress.

- 7. Does your organization have a department or person dedicated to the issue of PCI compliance? Will you organization work with the City and offer guidance to the bureaus in establishing and maintaining PCI compliance and determining whether 3rd party service providers are validated and registered with PCI-DSS? In the event that data is compromised or exposed, will your organization help guide the City through the forensic investigation and remedial actions required?**

Yes, Wells Fargo Merchant Services does have dedicated PCI compliance officers available to assist the City in meeting and maintaining PCI standards. All merchants and service providers doing business with Wells Fargo must maintain compliance. Merchants are also responsible for any damages or liability that may occur as a result of a data security breach or other non-compliance with the PCI Data Security Standards. If a breach does occur, we will assist the City's investigation.

Wells Fargo Merchant Services ensures all POS devices it deploys are PCI compliant. Third-party providers and proprietary solutions are ultimately the responsibility of the merchant, not Wells Fargo Merchant Services. We can only play the role of advisor between the City and third party providers.

Your Relationship Manager Eryka Cain has coordinated numerous discussions between one of our PCI Compliance Officers, the Associations, and the City of Portland. We believe that this information has been instrumental in the City's current PCI success.

Optional Services (Banking Services)

- 1. The City would like information to conduct a financial review of the benefits of conversion of a manual deposit system to a lockbox system. Please describe your current retail lockbox service and what you consider the most competitive features of your lockbox product. Please include a discussion of:**

Wells Fargo is one of the largest and most established providers of lockbox services in the nation, offering 25 retail, wholesale, and wholetail (a combination of retail and wholesale) locations across the U.S. and Canada, including a location in Portland that we recommend for the City (see Optional Services # 2 for additional detail on Wholetail processing). We would be happy to provide a tour of the recommended Portland lockbox facility.

In the 2008 Phoenix-Hecht Large Corporate Quality Index, Wells Fargo was graded "A" and "A+" in all Wholesale Lockbox categories measured, including: speed of processing, accuracy, timeliness, quality of images and overall features and capabilities. This was the highest overall rating given to any bank.

One of the primary competitive advantages of a Wells Fargo lockbox is the ability to combine your lockbox data transmission with your existing Internet Bill Pay transmission through Receivables Manager. We can consolidate remittance information for a variety of payment types, including lockbox, ACH, wire, and electronic deposit. We then translate the data and deliver it to you in a single file in a format that's compatible with your SAP system. By using detailed payment information and addenda to automatically update your systems, your accounts receivable personnel don't have to spend time reviewing multiple files or re-keying data.

Since we offer a wide range of lockbox processing options, we would recommend an initial consultative call with our Lockbox Technical Consultant, who is located here in Portland. He would be a valuable resource in refining your processing requirements. We also recommend you consider having us perform a Lockbox Study to help define the cost/benefit of utilizing a lockbox.

a. How mail pick-ups, processing schedules, information availability, and timing of deposits interface.

Mail is picked up at the Portland Main Mail Facility at 5:30 and 7:30 a.m. PT on weekdays. To ensure expeditious mail processing, the City will have a unique Post Office caller box, which allows us to take advantage of ZIP + 4 premium sorting capabilities, allowing the Post Office to sort our incoming mail on its automated sorting equipment.

At Wells Fargo, we employ a team processing concept at each of our lockbox sites. This allows for greater processing efficiency and staffing flexibility. Each team is comprised of associates who are familiar with the processing procedures for each account and is headed by a work leader who is responsible for training, cross training, productivity tracking, and quality control. The City's detailed processing instructions will be maintained in Wells Fargo's computer database and in hardcopy at the processing desk for reference by the team responsible for your account.

The workflow at our Portland retail site is as follows:

Extraction: Using an automated mail extractor, the mail is opened and batched. The batches of checks and coupons are forwarded to the processing area to be scanned and imaged.

Scanning and Imaging: Batches of checks and coupons, called "work units," are automatically fed through Canon document scanners that produce high quality images. Once the images have been created, an unattended Intelligent Character Recognition (ICR) process performs a variety of image modification and data capture tasks. Data capture tasks include the following:

- Capturing scan lines, including embedded dollar amounts
- Validating coupon scan lines using the configuration settings, including check-digit algorithms, defined within the lockbox account specifications
- Using both Courtesy Amount Recognition (CAR) and Legal Amount Recognition (LAR) technologies to capture and validate the check amount and MICR line from each check image
- Identifying Change of Address (COA) coupons, which sets a COA flag for any coupon bearing a change

Coupons that cannot be validated sufficiently using ICR are routed to coupon correction for keying. Similarly, if the check amount cannot be validated using CAR/LAR technology, the check is forwarded for manual check keying.

During the scanning and imaging process, we insert batch, or "work unit," headers and Transaction Identification Documents (TIDS) to define transaction boundaries and to correctly associate coupon and check images. This helps to ensure quality in later stages of processing.

Coupon Correction: If a coupon cannot be sufficiently validated using ICR, a keying operator views an image of the item, and manually keys information using an interface that is optimized for rapid scan line data entry. As data is entered, the application uses client-specific rules logic, including check-digit algorithms, to validate the data.

Check Keying: The check keying function is only required for items that fail the CAR/LAR confidence-level match. Images of these items are displayed to the check-keying operator. To help ensure that check keying has a target check amount to key against when ICR is unable to capture a target, coupon correction keying will occur before check keying.

As a quality control measure, the operator must key the same amount that was captured during the extraction process. If the amounts do not match, the color of the image changes to alert the operator, who must then reverse-key the check dollar amount. The operator also corrects missing or unreadable MICR line information during this step.

Manual Review Keying: Items will be presented for review if the transaction includes multiple checks or multiple coupons that may require manual intervention to apply payment amounts. Using images of the checks and documents within a given transaction, a keying operator applies a payment amount to each coupon. Balanced transactions are immediately routed for encoding. Unbalanced transactions are handled based on customer-specific rules.

Encoding and Processing: After all check and coupon amounts have been verified through ICR or check keying, the checks are ready for processing. The application software reviews every item prior to processing by matching the MICR line with information captured during extraction and check keying. 'Do not process' items are out-sorted. OCR coupons are also out-sorted into a separate pocket for archive or return to the customer.

Checks are then encoded, endorsed and audit trailed, and the physical items are released for processing through our Item Processing department. The deposits are posted to the City's demand deposit account.

Output Generation: Output, which includes both images and data, is generated following your scheduled lockbox deposit deadline. Images are provided online through our *CEO* portal, or by transmission. Lockbox detail is available through a direct transmission in the format you specify and availability data can also be provided through *CEO*. Transmission files are typically generated at the end of each business day and can be downloaded to update your receivables system. They contain information captured from coupon scanlines, check MICR lines, and information that is manually keyed into the system. We program to meet your needs and will work with you to determine the format of the file during the implementation process. In addition, based on customer instructions, we prepare packages containing unprocessed or rejected items to be delivered by US mail, overnight delivery, or courier service.

Deposit times are established, in large part, to meet local clearinghouse deadlines. However, the City has the option of establishing your own deposit time based on the deposit cutoff times at our Portland lockbox, which are at 9:30 a.m., 11:30 a.m., and 4:00 p.m. PT. On business days (excluding weekends and holidays), Wells Fargo reports daily deposit totals within two hours of the deposit time that you specify. Multiple deposits are reported the same day they occur, within two hours of your specified deposit time.

b. Does your standard service includes the processing of multiple coupons and/or multiple checks?

Yes, we can process multiple coupons and/or multiple checks and we will batch your transactions however the City would prefer. Items that are not processable or that the City doesn't want processed will be rejected and sent back to you.

c. What kinds of image applications are available?

Wells Fargo offers one of the most advanced lockbox imaging services currently available. Lockbox documents are imaged immediately after the mail opening stage. They are then available for viewing the next business morning. We provide images to you online through our *Commercial Electronic Office Retail Lockbox Image* service or as a transmitted file through our *Image File Import* service.

After imaging, all documents are then systematically re-associated. When you search for a copy of the check, you'll also be able to view its associated envelope, remittance advice and any other correspondence that was included in the remittance.

With our *Retail Lockbox Image* service, images are archived for seven years. You have immediate online access to two years of image history. Five years of history are stored offline and can be delivered to you online within two hours of your request. You can search your online image files using seven preset fields and up to 15 additional fields drawn from your coupon scan line. Images can easily be manipulated, zoomed, printed, or downloaded to a PC.

We also offer bulk image transmission through our Image File Import service, which facilitates long-term storage. On a daily basis, this service transmits a zipped file containing both check images and associated index information, which the City can import directly into your system or archives. Image File Import offers next day availability of images.

d. What reports are available, how are they transmitted, and can data transmissions include captured images?

Retail lockbox services are highly automated and designed to allow for automatic posting to your receivables system. Data transmission is the method used to provide your receivables information. We will provide the City with a daily data transmission of payment information within two hours of your deposit cutoff, including detail of all coupons and checks. You can then use the transmission to automatically update your receivables system. The file is available in various formats and we are flexible in customizing to meet your needs.

In addition, through our Receivables Manager service, we can consolidate your incoming electronic and paper payment information and transmit the data to you in a single file. This could be consolidated with your current Internet Bill Pay file. At our Portland lockbox site, Receivables Manager files can be made available to you at 12:30 p.m., 3:00 p.m., or 5:00 a.m. the next day.

The Direct BAI file transmission and *CEO* Previous Day Composite Reports that the City already receives will also provide you with information on your lockbox deposits. We also offer a Lockbox Availability Report through *CEO*.

The City can receive data transmission of captured images through our Image File Import service, as described in Question #1.c above. Images are available the next business morning.

e. How will your bank assist the City in a lockbox system conversion?

Wells Fargo is dedicated to providing full implementation support and maintenance of services to meet the City's needs. Since we offer a wide range of lockbox processing options, we would recommend an initial consultative call with our Lockbox Technical Consultant, who is located here in Portland. He would be a valuable resource in refining your processing requirements. We also would be happy to provide a tour of our Portland lockbox facility.

A Treasury Management Implementation Specialist will be assigned to your relationship team and will be responsible for the implementation and training of your new lockbox services. This ensures the highest level of consistency and service possible throughout your conversion.

At the start of the implementation phase, Wells Fargo will work with you to completely understand your processing requirements, coupon layout specifications and file format specifications. We will ask the City to provide 25 sample coupons so that we may test them for conformance with our processing systems. We will also provide test files to the City and will make sure that they meet your requirements prior to going live with your services.

Upon receipt of the City's detailed processing requirements, Wells Fargo's implementation specialists will work with you to plan your implementation. This process includes any programming needed for processing or transmissions, procedural development, coupon and envelope testing and review and staff training. Because each implementation is unique, we develop project-specific timelines after an initial meeting between you and our implementation group. We maintain our own programming staff.

The lead-time to implement your lockbox service varies by project scope and complexity. In general though, it typically takes between six to eight weeks to complete the process.

f. Will any of the lockbox services be outsourced to a third party?

Our Portland lockbox location is owned and operated in-house by Wells Fargo.

g. Calculate the monthly charge on 10,000 items monthly.

We have estimated your monthly charge for lockbox services at approximately \$2,865, as detailed in the Optional Supplemental Pricing Appendix 1 in Tab 10. This pricing is only an estimate based upon certain assumptions we made about your processing requirements.

2. Based upon information presented in our RFP and your bank's knowledge of the public sector, describe any enhancements, technological or otherwise, that we should consider to improve operational or cash management efficiencies.

We have provided information below on several services that we have discussed previously with the City that we feel could be beneficial.

Wholesale Lockbox

Wholesale Lockbox is a hybrid service – Retail and Wholesale combined. This combination would allow the City to take advantage of both the cost effectiveness of a Retail Lockbox and the customization of a Wholesale Lockbox.

If payments are received with a coupon they are processed in the Retail environment; data is captured from the coupon and prepared for transmission. For payments where coupons are not feasible, we process through our Wholesale platform. We then take those two files and merge them into one for transmission to the City.

The advantage to the City is that you could potentially have a single box that could be used for a variety of departments, including those that don't use payment coupons or those that would receive a mix of payments. Additionally, the use of a single box could potentially reduce lockbox fees. We recommend a discovery call to discuss the various options and how they would fit the City's plan for using lockbox.

Receivables Manager

Our Receivables Manager service provides a simple electronic payment file for secure, easy posting to your system — drastically reducing manual keying errors and lowering your costs with a paperless alternative. Receive payment data files when and how you want them for quick uploading, faster reconciliation, and less wait time for all payment types. You currently use this service for your Internet Bill Payments only; you could potentially add Lockbox, Wires, *Desktop Deposit*, Merchant Services credit card receivables, and ACH to that same file.

Receivables Manager Benefits

- **Streamlined payment reconciliation.** Simplify the reconciliation process by receiving an electronic file of your payments multiple times during the day to upload into your SAP system. You'll update your accounts receivable system faster and decrease payment posting errors by reducing the amount of manual data entry.
- **Improved customer service.** Reduce misapplied payments by electronically uploading payment information to your system. Less manual intervention will help you reduce the risk of errors, resulting in fewer payment disputes and fewer customer complaints.
- **Faster access to funds.** When customers pay by check or through an Internet bill pay provider, you may have to wait up to five days to receive the payment. Receiving an electronic file can reduce that time to two days, in most cases. (The City currently uses this feature.)
- **Reduced processing costs.** ACH, Internet bill payment, lockbox, electronic deposit, and wire files can be automatically uploaded into your system. Receipt of credit card data is currently in pilot. Receivables Manager eliminates the need for rekeying payment information, allowing City employees to spend more time on other functions.

Wells Fargo Provides:

Information you need on your terms. Wells Fargo can translate the data and deliver it to you in a format compatible with your SAP system. Wells Fargo readily delivers the following standard file formats:

- Flat file
- ANSI 823
- ANSI 820
- BAI
- Modified NACHA

Easy research. Payments routed through our Receivables Manager service have standardized information, including the payee's name and invoice number. Including this information helps lower the number of erroneous payments. Plus, we'll provide research assistance for payments that may have incomplete information.

Security. Our advanced system has superior capacity and reliability, and we use state-of-the-art security channels to help protect your files. Wells Fargo supports a variety of transmission methods and protocols so you can safely receive your data.

Payment Manager[®]

Payment Manager is an initiation system for wire transfers, ACH, and check/draft payments. This service allows you to send us a single file for all of your payment types, eliminating the need to access multiple systems. As an added benefit, our *Payment Manager PlusSM* service lets you send human- and machine-readable remittance information, while initiating your electronic payments directly from your accounts payable system. *Payment Manager Plus* lets you send an email, secure email, or fax to your trading partner with all of the information they need to reconcile your electronic payment correctly and efficiently. You can also have us print and mail your remittance information to your trading partners who need paper-based remittances. *Payment Manager Plus* often results in additional trading partners willing to accept electronic payments since they no longer need sophisticated and expensive systems or software to receive notification.

The City can send your remittance and delivery information easily in your payment file or use our online trading partner database to manage remittance deliveries on the *Commercial Electronic Office* portal.

Payment Manager supports direct transmission of files from your SAP system. Upon receipt of your file, we transmit acknowledgment that we have received the transmission and when payments are initiated, we provide detailed transaction confirmations to the City. Standard file types we accept include ANSI 820, EDIFACT PAYMUL, SAP IDOC, Wells Fargo flat file, and Wells Fargo XML Transmission protocols. *Payment Manager* is fully integrated with our online Positive Pay and Account Reconciliation services.

Payment and Delivery Preferences

The Payment and Delivery Preferences service lets you easily and quickly invite your payees for self-enrollment, and speeds your migration from paper to electronic payments. This could be an ideal method of collecting information for Direct Debit for the Water Bureau payments.

You simply send invitations directing your payees to the *CEO* portal and they can:

- Self-enroll to receive electronic payments (Domestic ACH)
- Self-enroll to receive remittance or other documents via any delivery channel you choose to offer
- Update their profiles and account information

The City can send in a file to validate who is enrolling to Wells Fargo. We will notify you of any new setups or changes. You are then ready to originate entries and remittance documents to those who enrolled.

You have the option of having Wells Fargo store your customer's bank information on our server or you can have it delivered to the City for storage on your server. By having Wells Fargo store the data, it eliminates the exposure of having City employees handle confidential bank information.

Wells Fargo Electronic DepositSM

Our *Wells Fargo Electronic Deposit* service (WFED) is another option the City can use to electronically deposit checks, in addition to the *Desktop Deposit* service you already utilize. WFED would be a good fit for your Water Bureau payments. The WFED service is designed for customers who are able to capture their own images and data, or those who utilize a third-party processor to capture images and data. WFED is completely customizable and scalable and can easily be integrated into the City's existing business model. With our proprietary *Smart Decision* service, we can also convert your eligible checks to ACH debits.

In order to participate in this service, you—or a third-party processor on your behalf—must be able to meet certain requirements for creating files, maintaining processes, and safeguarding checks, including the ability to:

- Scan checks to accurately capture all MICR-line data, along with front and rear digital images
- Assign a unique item identification number to each check scanned
- Recognize and exclude ineligible items, such as foreign items and items with invalid routing numbers
- Capture and store check images in a black-and white TIFF 6 format
- Capture or enter the correct U.S. dollar amount of each check
- Create credit (deposit) records for the total of checks transmitted and send a balanced file
- Format the file according to the Wells Fargo format provided and transmit the file securely
- Securely retain original, scanned checks for a specified time period and then destroy them in a secure manner

Smart Decision

With our *Smart Decision* service, you can deposit checks through multiple depository channels, including *Desktop Deposit*, *Wells Fargo Electronic Deposit*, lockbox, cash vaults, banking stores and ATMs, and all eligible checks will be converted to ACH debits. Simply notify your customers through a posted or mailed notice, and after you make a deposit we'll use our industry-leading decision engine to identify eligible checks and do the ACH conversion for you automatically. You'll see faster availability of deposited funds, a second redeposit attempt, accelerated returned item notification, improved collection rates, lower costs, and simpler deposit research and reconciliation.

Eligible checks will be converted to ACH debits, while non-eligible items, including payments from customers who have opted out of the conversion process, will be deposited through Check 21 workflows. The City will receive a single credit per deposit—not one for ACH and one for paper. And, the City's returned item reporting is also consolidated into a single report with a single debit. This greatly simplifies reconciliation.

The City can present an opt-out file through a direct transmission or using the Deposit Maintenance application on the *Commercial Electronic Office* portal. Opt-outs are managed by comparing the MICR data on the check to the items the customer has provided either via direct transmission or online.

CEO WorkstationSM

The *CEO Workstation* (in pilot, to be released Q3, 2008) is an innovative, affordable online Treasury Workstation that will provide tools to help you better manage your treasury operations. This product includes cash positioning and cash forecasting capabilities, as well as debt and investment management tools (Phase II enhancement). It can be fully integrated with the City's SAP system in order to pass balance and transaction information back and forth automatically. Our unique "thin client" architecture enables us to provide swift and seamless delivery of the product and continued enhancement based on customer needs and input.

The solution includes the following key features and functionalities:

- Display of information tailored to the City's organizational structure
- Global view of cash management information with ability to view balances at other banks
- Snapshot of key cash management information

- Account balance monitoring tools
- Automatic matching of manual entries of expected transactions with bank posted items
- Unlimited users and multi-tiered authorization structure support decentralized cash management
- Ability to automatically populate forecast based on historical data
- Forecast based on customized business categories
- Report card to evaluate forecasting accuracy
- Automation of time consuming journal entry creation
- Support for multiple charts of accounts
- Ability to create rules to autofill offsetting journal entry information
- Export to CSV, Excel formats
- No need for complicated technical implementation. Guided online setup flow makes setup quick and easy
- Easy drag and drop setup and maintenance of company hierarchy
- Convenient online administration tools allow easy update of settings at any time

Wells Fargo Payment GatewaySM

The *Wells Fargo Payment Gateway* service puts a secure and flexible processing environment at your fingertips, providing a single source for multiple payment options, report and reconciliation services, and industry-leading tools to reduce transaction risk and manage fraud.

- **Increase sales and customer satisfaction.** The more payment options you offer, the greater your opportunity for increased sales. Use the *Wells Fargo Payment Gateway* service to accept major credit cards, debit cards, electronic checks, more than 130 foreign currencies and six multi currencies, and purchasing-card level III data - all through a single connection.
- **Solution integration.** With the *Wells Fargo Payment Gateway* service, you can easily integrate online payment information into your ERP or system of record. This flexible capability means you can choose how to manage and access data, saving time and reducing the risk of error.
- **Manage risk.** Use screening and verification services such as AVS, Card Verification Number (CVV2, CVC2, etc.), worldwide delivery address verification, export compliance checks, Verified by Visa, and MasterCard Secure Code. Further manage your risk with Decision Manager, which lets you define automated screening rules for order disposition (accept, reject, review).
- **Security and system availability.** PCI compliance is important to your business. Reduce your risk and worries about managing sensitive payment data with the PCI-compliant *Wells Fargo Payment Gateway* service, which lets you store sensitive payment data securely on the gateway instead of at your locations.
- **Funding reconciliation and reporting.** View and download reports (XML, PDF, and CSV formats) to manage your disputes (chargebacks), interchange, and exceptions. These reports contain the transaction order ID, enabling you to easily match information to the original transactions. View reports plus search and query transactions online. The Card Payments Reconciliation Report provides information on your funding position, disputes, and card processing fees. Import the file into your system to match items and identify exceptions easily.

Visa Tax Payment Program

The Visa Tax Payment Program allows government-taxing authorities or parties acting on their behalf to accept Visa cards for payment of personal income and real estate taxes, while imposing a percentage-based service fee. In 2007 they expanded the permitted tax types.

The following tax types are acceptable for the Visa Tax Payment Pilot Program:

- Federal Personal Income Taxes
- Form 1040 Balance Due Payments
- Form 1040ES Estimated Payments
- Form 4868 Extension Payments
- Balance Due Notice
- Installment payments
- Form 1040 Prior Year Payments
- State Personal Income Taxes
- Balance Due Personal Income Taxes
- Estimated Taxes
- Extension Payments and Delinquent Taxes
- Property Taxes
- Real Estate Property Taxes
- Other Property Taxes
- Federal and State Business Taxes
- Form 941 Withholding - Personal Withholding of Federal and State Income Taxes
- Franchise or Corporate Taxes
- Form 940 Unemployment
- Sales and Use

4. Project Approach and Understanding

Earnings Credits (Banking Services)

1. Describe how the bank calculates collected balances. Describe the methodology that would be used to give credit to the City for bank balances.

Collected balances are ledger balances minus float plus or minus any balance adjustments. The daily collected balance (aggregated across all City accounts) must be positive to avoid an uncollected funds charge.

The Earnings Allowance is calculated on an actual day/year basis using the Earnings Credit Rate and is applied to the average investable balance (collected balance less the 10% reserve requirement) for that month. The formula for calculating the Earnings Allowance is as follows:

$$\frac{\text{Investable Balance Available for Services} \times \# \text{ of Calendar Days in Month} \times \text{ECR}}{\text{Actual \# of Days in the Year}}$$

2. In addition to the Federal Funds target rate, please provide the City with at least one additional earnings credit rate allowance option from which to choose. (e.g., 91-day Treasury Bills, 3-month LIBOR).

Because of the importance of the City's relationship, we offer you our preferred Earnings Credit Rate, which is based upon the 91-day T-Bill Auction Rate, discount basis, for the prior month. The ECR rate for the past six months is shown below.

Month	Rate	Month	Rate
June 2008	1.78%	March 2008	2.21%
May 2008	1.31%	February 2008	2.74%
April 2008	1.39%	January 2008	3.12%

We can also offer the City our Wholesale Earnings Credit Rate, which is set internally on a monthly basis at Wells Fargo's discretion. Because this rate has historically been lower than the 91-day T-Bill Auction Rate, we do not recommend this option.

3. What is the bank's policy regarding overdrafts and negative balances? What is the interest rate charged on negative balances?

Wells Fargo Bank will continue to make every effort to honor the City of Portland's checks, acknowledging that some accounts might not reflect sufficient balances. A Daylight Overdraft Limit facilitates temporary funding shortfalls that are pending intraday receipt of funds, such as investment settlement wires or receipt of State payments. If the aggregate collected balance of the City is positive, we do not charge for uncollected funds. If the aggregate collected balance is negative, the charge for uncollected funds is calculated as follows:

$$\frac{\text{Average Daily Negative Collected Balance} \times \text{Overdraft Rate (91-day T-Bill Auction Rate)} \times \text{Days in Period}}{360 \text{ day/year}}$$

Collected balances are ledger balances minus float plus or minus any balance adjustments. We do not charge the City any overdraft fees. We also do not charge the City for intraday overdrafts.

4. Over what period of time (e.g., monthly, annually) will account profitability be reviewed? Is this negotiable? If profitability is reviewed annually and additional profitability exists, are you willing to carry excess earnings forward to the next year? (Yes/No)

The City's accounts are analyzed monthly and if your compensating balances don't cover the charges for the service volumes utilized, the City may settle what is owed on a semi-annual basis. Yes, you may carry excess balances forward to offset a deficit incurred in the next settlement period.

5. Do you offer sweep and/or repo accounts for day end collected balances that may be utilized by Oregon local governments that are permissible investments consistent with Oregon statutes governing public funds? (Yes/No) If yes, please provide information on your sweep and/or repo accounts including fee calculation, types of securities used, S&P and/or Moody rating for commercial paper used and a list of monthly average yields from April 2007 through March 2008. Please provide a detailed description of each service or product and the process for establishing an account.

Our Investment Sweep program does not meet the Oregon Revised Statutes pertaining to collateralization. Therefore, we are offering the City an interest-bearing NOW checking account as a replacement. This proposed checking account will provide a premium rate of return approximately equivalent to our standard Repo rate, plus an adjustment for the impact of the 10% reserve requirement on checking account balances. Because there is not a formal sweep account, sweep fees are eliminated. Balances in the checking account will be collateralized as required on municipal checking accounts.

By providing this interest bearing checking account, we can offer the City an equivalent rate of return, eliminate sweep fees, and reduce accounting entries associated with the sweep's daily transfers in and out of your primary account. We are confident that this replacement product will give the City all the benefits they would receive from a traditional sweep account without the associated costs.

However, we believe that it is most beneficial for the City to instead utilize our premium ECR rate, which is based on the 91-day T-Bill Auction rate. A comparison of the last six months shows that the average ECR rate of 2.09% was better than either a Repo Sweep rate (1.419%) or our NOW account rate (1.897%). With your ability to manage investments and maximize returns through the State investment pool, you are unlikely to choose to carry excess balances in your checking accounts, beyond what is needed to cover fees.

Training (All Respondents)

1. Will you provide City employees with on-site product training sessions on an on-going basis? (Yes/No) If yes, please list the titles of training topics that may be provided. No description is necessary.

Yes, Wells Fargo recognizes the importance of having our clients feel comfortable and confident using our services. To help us achieve this goal, we utilize the services of an internal team of training professionals to develop cutting-edge learning solutions. Listed below are several of the training options available to the City. Because this training is specific to the City's needs, you will determine the topics.

- **Customer Service:** Because the City is familiar with our systems and services, your dedicated Client Service Officer or Implementation Associate will be the first line of training when you add new services, or new employees.
- **On-Site Training:** This will be available at the City's request, and offered by our Implementation Team or your Relationship Associate. Our team will work with the City to develop and deliver a customized program that focuses on how to use new services, and make the most of your electronic banking system. We can also include the discussion of various cash management topics in the training sessions, as you require.
- **Instructor-led Programs via the Internet:** These training sessions are sometimes called "webinars." During these learning sessions, City staff will dial into a conference call while following an interactive Internet presentation at the same time. Attendees may ask questions of the instructor, find solutions to their unique issues and interact with other users.
- **On-line Tutorials:** These on-demand, pre-recorded training modules are available on Wells Fargo's Internet portal, *CEO*. This type of training offers the flexibility for City staff to do training whenever it is most convenient for them. On-line tutorials are especially useful for training new hires or individuals learning a new job. These audio/visual recordings are available 24 hours a day, 7 days a week.
- **Merchant Services:** If the City requires additional Merchant Services training, your Relationship Manager will work with you and coordinate on-site visits as necessary.

Other Support

In addition to the training tools noted above, the bank offers other educational resources:

- **Global Payments Conferences:** Wells Fargo Bank hosts annual Global Payments Conferences exclusively for our clients. We offer these conferences at no charge. Particular emphasis is placed on the use of technology. Customers are presented with a variety of electronic products and service enhancements that will help reduce costs and increase efficiencies. Our 2008 conference series theme is Expanding Payment Horizons: Domestic + International = Global. Presentation topics for the conference include: Automated Treasury: New Tools for Cash Positioning & Cash Forecasting; Back Office Conversion & Optimized Routing: A Revolution in Depository Processes; *CEO* User Workshop: How's it Working for You?; Re-thinking Receivables: New Ways to Electronify Your A/R Process; Fundamentals of ACH; Going Global - It's Not that Different; Going Mobile - A Bank In The Palm Of Your Hand; Merchant Services: Fraud Management and Compliance; Preventing Payment Fraud: The Latest Trends in Risk Management; Straight Through Receivables Processing - The Wholesale Lockbox; Electronic Payments - The Commercial Card Strategy; and Online Payments: Beyond the Basics.
- **Help and Training Link on *CEO*:** Our Internet portal includes access to a self-help site that incorporates frequently asked questions and online training. From here, you can access our on-line, interactive tutorials and sign-up for instructor-led online training classes ("webinars").
- **Technical Support:** Treasury Management Client Services is the primary unit responsible for technical service. Within Client Services, a dedicated Technical Support Group is available to assist with technical issues that your dedicated Client Service Officer may not be able to resolve.
- **User Manuals:** These handy reference guides will be supplied to you during the implementation process.

2. Do you offer video or web-based product education and training programs available to City employees? (Yes/No) If yes, please list the classes/courses currently available. No description is necessary.

Yes, we offer a variety of web-based product training classes as described in Question #1 above. A current listing of available webinars includes: ARP Register Maintenance/Image Positive Pay; ARP Statement and Reconciliation; *CEO* Portal-An Overview; *CEO* Reports; Images and Stop Payment; *CEO* Timesavers; Commercial Card Expense Reporting For Cardholders and Reconcilers; Commercial Card Expense Reporting For Program Administrators; *Desktop Deposit* Training Suite; Going Global with the *CEO*; HBS on the *CEO* Portal; Internet ACH Training Suite; Retirement Plan Payments; Self Administration; Wire Transfer Services Training Suite; Protecting Yourself Against Identity Theft; Reducing the Risk of Fraud; Trade Services - Basics of Import Letters of Credit; Trade Services - Basics of Standby Letters of Credit; Trade Services - Export Letters of Credit Fundamentals; Trade Services - Impact of Regulatory Compliance; and Working Smarter, Not Harder. We also offer a full suite of pre-recorded online tutorials on a variety of our products and services.

Video and web-based training programs are not currently offered by Wells Fargo Merchant Services.

3. Explain what specific training you have made available to customers for using your on-line or traditional account services and merchant bankcard services.

Specific training we have made available to customers is described in Question #1 above. We have a Customer Training team that develops all of our training and is available to develop and deliver specialized training, if desired.

As your incumbent Merchant Services processor, your Relationship Manager will directly provide or coordinate additional training as necessary for the City. If the City decides to implement a new POS system, you will be assigned a Project Manager who will ensure that all POS equipment is functioning. Once transactions are processed, the Project Manager will monitor the usage, review the first statement for any clarifications, and train the City on the reporting systems used. Your Relationship Manager will then have responsibility for ongoing service.

We also provide an annual PCI Seminar for our merchants, which the City attended last year. The event is given in appreciation of our customers' business and also to help them remain PCI compliant. The topic of the seminar is Payment Card Industry Data Security Standards (PCI DSS). The seminar is ideal for risk and compliance personnel, finance managers, technology managers, and developers. It provides you with invaluable insight into the PCI Data Security Standards and associated compliance validation processes. Through an interactive environment, it also offers an in-depth technical review of PCI requirements and payment applications best practices. The benefit of the conference is that it offers you the expertise you need to assist your organization in being PCI compliant, securing customer data, reducing the risk of exposure, and avoiding fines.

Conversion Plan (All Respondents)

The City is currently undergoing a major implementation of SAP enterprise software that includes banking and merchant bankcard services. As such, it will be necessary to coordinate and/or delay conversion activities until such time that the City deems appropriate. All proposers must acknowledge and accept that the City reserves the right to establish and adjust the banking, merchant services, and/or trust and custody services conversion plans or schedules as deemed appropriate by and in the best interest of the City.

Wells Fargo acknowledges and accepts that the City reserves the right to adjust conversion plans or schedules to accommodate your SAP implementation.

One of the benefits of maintaining your long-standing relationship with Wells Fargo is that the City will not have to endure a lengthy banking conversion on top of your SAP conversion. Only new products and/or services would require implementation; otherwise it would be business as usual. Since your core services are established, we will answer the following questions based upon new services you may elect to implement.

1. Provide an outline of your transition plan for the City (including banking and merchant bankcard services) assuming conversion begins November 1, 2008. Please address:

a. Necessary actions

As stated above, the only implementations that would occur would be for any new products and/or services the City elected to use. Those services would be implemented at the City's convenience and at a time that would not conflict with your SAP conversion.

Should there be new services the City wants to implement, we would schedule a pre-implementation meeting to discuss the details of that particular service, involving area experts as needed. A timeline and implementation plan would be produced at that time.

b. Responsible parties

Implementation for any new services would be the responsibility of your Relationship Manager, Relationship Associate, Implementation Associate, and Treasury Management Consultant. This team ensures that all aspects of the implementation go smoothly and are done in a timely manner.

c. Target completion dates

Target completion dates would be dependant upon the new services selected; timelines for implementing services can range from a few days to several weeks. The timeline is driven by many factors, including the complexity of the service, whether transmission testing is necessary, etc.

d. Number of meetings with Treasury staff

Again, this will vary based upon the complexity of the service. Some services require nothing more than a phone call letting us know what you want implemented, i.e. a report added; other services may require a series of meetings that could include your IT staff. As an example, adding a Retail Lockbox may require several meetings to discuss requirements, options, transmissions, etc. Our goal is to minimize the meetings required without sacrificing the quality of the implementation process.

e. Number of meetings with affected bureau staff

Please see Question 1.d above.

2. Will your bank offer the City a dedicated transition team? (Yes/No) If yes, briefly describe the roles of the members of this team.

Since you are a current client of Wells Fargo, a transition team would not be required. Any new service implementations would be handled by Julie Wilson, your Relationship Manager and Joey Luu, your dedicated Implementation Associate.

3. Please provide a template or brief explanation as to how to effectively manage the opening of new accounts and closing of existing accounts.

Accounts can be opened or closed by merely calling Julie Wilson or Melody Madison. They will prepare any necessary documentation and deliver it to the City for completion and authorization. The implementation will then be handled by Joey Luu, your dedicated Implementation Associate, located here in Portland.

4. How long do you anticipate it will require to successfully transition all City accounts (described in PART I, SECTION A, 2. BACKGROUND of the RFP)?

Not applicable, since the City is an existing client.

5. Are you willing to commit to reimbursing the City costs associated with transitioning the City's account? (Yes/No) If yes, please indicate the monthly reimbursement credit you would be willing to provide the City during the 5-year contract period.

Wells Fargo knows that as the premier municipality in the State of Oregon, many banks would like to provide your banking services. While we recognize there will be no transition costs associated with maintaining your business with us, we are offering a \$110,000 credit as a reflection of our appreciation of the ongoing relationship. This credit, offsetting treasury fees, would be applied at a rate of \$22,000 per year, for the five year term of the contract.

5. Diversity in Employment & Contracting Requirements

- a. **Indicate if your firm is currently certified in the State of Oregon as an MBE, WBE and/or ESB, or if your firm has applied for certification with the State of Oregon’s Office of Minority, Women and Emerging Small Business (OMWESB).**

Wells Fargo is a publicly traded corporation and does not qualify as and is not certified as an MBE, WBE, or ESB.

- b. **Identify your current diversity of workforce and describe your firm’s commitments to providing equal employment opportunities. Include in your response:**

- **Number of total employees and description of type of work performed.**
- **Number of minorities and women within your current workforce, broken out by ethnicity and positions held.**
- **Any underutilization of minorities or women within your workforce and your firm’s efforts to remedy such underutilization.**
- **Any plans to provide innovative mentoring, technical training or professional development opportunities to minorities and women in your workforce in relation to this project, or plans to employ minorities and women to work on this project.**
- **Description of the process your firm uses to recruit minorities and women.**

Wells Fargo is committed to providing outstanding sales and service to all customers – and providing an outstanding place to work for our team members.

Our commitment to diversity began when we opened our doors in 1852. Realizing the economic potential of the western frontier, founders Henry Wells and William Fargo opened their first banking and express offices to serve growing numbers of western pioneers – all immigrants from across the U.S. and abroad – in the gold rush cities of San Francisco and Sacramento. Soon after, Wells Fargo & Company became one of the few companies to hire women, as well as bilingual agents to serve its Spanish- and Chinese-speaking customers. In 1888, in its “Instructions to Agents” booklet, our company insisted on fair treatment to all its customers: “Proper respect must be shown to all – let them be men, women or children, rich or poor, white or black – it must not be forgotten that the Company is dependant on these same people for its business.”

Today, the diversity of our 166,000 team members enables us to respond faster to the needs of our increasingly diverse communities. We view diversity not just as the right thing to do, but as a growth opportunity. It’s essential for achieving our vision of satisfying all our customers’ needs and helping them succeed financially. Diversity is about inclusiveness; making sure everyone – team members, customers, and business partners – feels welcome and included, valued for their individualism, and given the opportunity to succeed. We want to do more than just reflect or represent the diversity of our communities. We want to be the diversity of our communities.

We work with preferred search firms that specialize in diversity, offer leadership development programs for females and ethnically diverse leaders, provide a company-wide mentoring program, and mandate diversity training programs for managers. Many managers have diversity goals tied to their performance goals, clearly demonstrating our belief that diversity is tied to the bottom line.

Achieving our diversity goals isn't just the responsibility of senior management – it's up to every single one of our team members to make Wells Fargo more inclusive. We have a Corporate Diversity Council, comprised of team members from around the company, who advise our executive team on policy, programs, culture, and leadership best practices that foster diversity and awareness. Over 8,000 team members participate in 84 diversity councils for their business group or local area, and we sponsor 115 Team Member Resource Groups (TMRGs). TMRGs are affinity groups, each dedicated to an aspect of diversity – Asian Connection, Native Peoples, DisAbilities and Amigos are a few. These groups play a critical role in attracting, developing, engaging, and retaining team members at all levels across the company. Their activities range from career development and mentoring programs, to participation in networking and community outreach activities. They are ambassadors and liaisons to the community.

Please refer to the table on the next page for statistical information regarding our corporate level employee diversity profile.

EEO Race/Ethnicity and Gender

EEO Category	Code	Level	MALE		% by EEO Code within Gender				% by EEO Code within Gender				% by EEO Code within Gender				TOTAL	Total by Gender
			A	%	B	%	C	%	H	%	I	%	P	%	T	%		
OFFICIALS & MANAGERS	1	1A					21	100.00%									21	65.63%
		Race within G					0.05%											
OFFICIALS & MANAGERS	1	1B	739	6.95%	449	4.22%	8,448	79.43%	893	8.40%	62	0.58%	15	0.14%	30	0.28%	10,636	48.60%
		Race within G	11.44%		10.32%		18.55%		10.72%		15.23%		9.49%		5.55%			
PROFESSIONALS	2	2	964	8.85%	341	3.13%	8,892	81.66%	591	5.43%	41	0.38%	12	0.11%	48	0.44%	10,889	46.53%
		Race within G	14.93%		7.84%		19.53%		7.09%		10.07%		7.59%		8.87%			
TECHNICIANS	3	3	886	21.90%	114	2.82%	2,877	71.12%	137	3.39%	14	0.35%	4	0.10%	13	0.32%	4,045	67.16%
		Race within G	13.72%		2.62%		6.32%		1.64%		3.44%		2.53%		2.40%			
SALES WORKERS	4	4	337	5.13%	284	4.32%	5,294	80.60%	583	8.88%	28	0.43%	11	0.17%	31	0.47%	6,568	60.23%
		Race within G	5.22%		6.53%		11.63%		7.00%		6.88%		6.96%		5.73%			
ADMINISTRATIVE SUPPORT WORKERS	5	5	3,247	10.46%	3,009	9.70%	18,064	58.20%	5,951	19.17%	254	0.82%	110	0.35%	401	1.29%	31,036	31.27%
		Race within G	50.29%		69.17%		39.67%		71.42%		62.41%		69.62%		74.12%			
OPERATIVES	7	7	284	10.99%	153	5.92%	1,937	74.99%	177	6.85%	8	0.31%	6	0.23%	18	0.70%	2,583	59.72%
		Race within G	4.40%		3.52%		4.25%		2.12%		1.97%		3.80%		3.33%			
		Sum:	6,457		4,350		45,533		8,332		407		158		541		65,778	

EEO Category	Code	Level	FEMALE		% by EEO Code within Gender				% by EEO Code within Gender				% by EEO Code within Gender				TOTAL	Total by Gender
			A	%	B	%	C	%	H	%	I	%	P	%	T	%		
OFFICIALS & MANAGERS	1	1A	1	9.09%			10	90.91%									11	34.38%
		Race within G	0.01%				0.02%											
OFFICIALS & MANAGERS	1	1B	849	7.55%	640	5.69%	8,279	73.64%	1,319	11.73%	107	0.95%	14	0.12%	34	0.30%	11,242	51.38%
		Race within G	8.71%		7.69%		12.95%		8.28%		11.15%		5.15%		4.14%			
PROFESSIONALS	2	2	1,576	12.60%	604	4.83%	9,361	74.82%	835	6.67%	56	0.45%	15	0.12%	65	0.52%	12,512	53.47%
		Race within G	16.17%		7.26%		14.64%		5.24%		5.83%		5.51%		7.92%			
TECHNICIANS	3	3	391	19.77%	62	3.13%	1,429	72.24%	72	3.64%	10	0.51%	3	0.15%	11	0.56%	1,978	32.84%
		Race within G	4.01%		0.75%		2.24%		0.45%		1.04%		1.10%		1.34%			
SALES WORKERS	4	4	266	6.13%	188	4.33%	3,313	76.39%	512	11.81%	33	0.76%	4	0.09%	21	0.48%	4,337	39.77%
		Race within G	2.73%		2.26%		5.18%		3.21%		3.44%		1.47%		2.56%			
ADMINISTRATIVE SUPPORT WORKERS	5	5	6,434	9.44%	6,692	9.82%	40,285	59.10%	13,094	19.21%	736	1.08%	235	0.34%	684	1.00%	68,160	68.63%
		Race within G	66.02%		80.45%		63.01%		82.18%		76.67%		86.40%		83.31%			
OPERATIVES	7	7	228	13.09%	132	7.58%	1,256	72.10%	101	5.80%	18	1.03%	1	0.06%	6	0.34%	1,742	40.28%
		Race within G	2.34%		1.59%		1.96%		0.63%		1.88%		0.37%		0.73%			
		Sum:	9,745		8,318		63,933		15,933		960		272		821		99,982	
Total Male and Female			16,202	9.77%	12,668	7.64%	109,466	66.04%	24,265	14.64%	1,367	0.82%	430	0.26%	1,362	0.82%	165,760	100.00%

Codes; A = Asian, B = Black/African American, C = Caucasian, H = Hispanic, I = Native American/Alaskan Native, P = Native Hawaiian, Pacific Islander, T = Two or more races (Non-Hispanic)

c. **Have you subcontracted or partnered with State of Oregon certified M/W/ESB firms on any project within the last 12 months? If so, please describe the history of the firm's subcontracting and partnering with certified M/W/ESB firms. Include in your response:**

- **List of State of Oregon certified M/W/ESB firms with which your firm has had a contractual relationship during the last 12 months.**
- **Any innovative or successful measures that your firm has undertaken to work with M/W/ESB firms on previous projects.**
- **Any mentoring, technical or other business development services your firm has provided to previous or current M/W/ESB subconsultants or partners, or will provide in relation to this project.**

Yes, in 2007 Wells Fargo spent over \$4.5 million with approximately 70 Oregon-based minority, woman, and disabled owned companies (we do not track Emerging Small Business as a separate category). Because of contractual confidentiality clauses, we do not release general lists of the names of our suppliers. In the same year, Wells Fargo spent approximately \$500 million with diverse-owned firms nationally.

Supplier Diversity is Wells Fargo's company-wide commitment to provide all qualified companies with competitive access to opportunities to provide us with goods and services. Because diversity is one of Wells Fargo's core operating values, our goal is to have a supplier base that reflects the diversity of our team members, customers, and communities. To achieve this goal, Wells Fargo proactively seeks qualified suppliers that are minority-owned, woman-owned, and disabled-owned – and we strongly encourage all team members to consider the factor of diversity when selecting suppliers.

Our inclusion of highly qualified diverse suppliers in the earliest phases of our enterprise-wide strategic sourcing process has proven to be very successful. Another strategy that has been successful is to focus on high-volume, high potential commodities where previous success has been demonstrated.

We have been active in providing grants for diverse-owned companies to attend executive management courses, such as the one-week course offered by Tufts Business School and other universities. By funding a number of these scholarships, we are able to assist more businesses than our Supplier Diversity Staff could otherwise.

d. **Are you subcontracting any element of your proposal? Describe your firm's plan for obtaining maximum utilization of certified M/W/ESB firms on this project. Include in your response:**

- **Subcontracting opportunities your firm has identified in the scope of this project.**
- **Efforts made relating to outreach and recruitment of certified M/W/ESB firms. Did your firm advertise contracting opportunities in the *Daily Journal of Commerce*, *Skanner*, *Oregonian*, *Observer*, *El Hispanic News*, *Asian Reporter*, and/or other trade publications? Did your firm conduct any outreach meetings? Did your firm use the State's OMWESB certification list, or other source, as a basis for direct outreach? What were the actual results of any of the above efforts?**
- **Any proposals received from certified M/W/ESB firms. If any such proposals were rejected, provide reasons for rejection.**
- **Other efforts your firm used or proposes to use in relation to this project.**

We will be utilizing existing diverse and non-diverse suppliers in our general business operations throughout the duration of this proposed contract and beyond. While there is no expectation of direct sub-contracting opportunities for this contract, any such opportunities would be sourced with an effort to maximize diverse supplier utilization.

Wells Fargo seeks to utilize diverse suppliers on all projects by giving all qualified companies competitive access to opportunities to provide us with goods and services. Our inclusion of highly qualified diverse suppliers in the earliest phases of our enterprise-wide strategic sourcing process has proven to be very successful. While we routinely advertise in minority-owned publications and use minority-owned advertising agencies for a portion of our national marketing effort, no direct ads were placed relative to this contracting opportunity. While Wells Fargo routinely engages in outreach activities, such as active participation in minority-based trade shows, no direct outreach meetings were held relative to this contracting opportunity.

Wells Fargo has downloaded the OMWESB certification list from the State's website and will now be able to utilize this list in our diversity sourcing efforts. However, since no direct outreach efforts were made specific to this potential contract, the list was not utilized in this instance.

For this contract and for all contract opportunities, it is Wells Fargo's goal to utilize as many diverse-owned companies as possible as a part of the overall bank-wide effort to reach \$1 billion in diverse spend on an annualized basis by the end of the year 2010. Our spend with diverse suppliers has risen from \$133 million in 2001 to approximately \$500 million in 2007. Our success in the use of diverse suppliers has progressed from simple commodities such as florists and caterers to complex commodities such as commercial printing and IT Contracting.

- e. **If your firm will be utilizing certified M/W/ESB firms on this project, please list those firms and detail their role within your proposal. In addition, all Proposers must submit Exhibit A - First Tier Subconsultant Disclosure Form 1 in their proposal, which requires Proposers to identify the following:**
- **The names of all subconsultants to be used on this project with subcontracts greater than or equal to \$10,000.**
 - **The names of all State of Oregon certified MBE, WBE and ESB firms. If firms have more than one certification (i.e., ESB and MBE, and/or ESB and WBE) note that on the form so that proper credit can be given for the ESB goal and for tracking MBE and WBE utilization.**
 - **The proposed scope or category of work for each subconsultant.**

If Proposers will not be using any subconsultants that are subject to the above disclosure requirements, Proposers are required to indicate "NONE" on the First Tier Subconsultant Disclosure Form 1.

Wells Fargo will not be utilizing any certified M/W/ESB firms on this project.

The City expects thoughtful consideration of all of the above Diversity in Employment and Contracting criteria in the preparation of proposals. The City will enforce all diversity in workforce and M/W/ESB commitments submitted by the successful Proposer, and the successful Proposer will be required to submit a completed Monthly Subconsultant Payment and Utilization Report to ensure that subconsultants are utilized to the extent originally proposed and submitted in its proposal. The successful Proposer will not be permitted at any time to substitute or add a subconsultant without the prior written approval of the Purchasing Agent. ALL subconsultants, including M/W/ESB firms, and first tier subconsultants shall be reported on the Monthly Subconsultant Payment and Utilization Report as well as contract amounts and payments. For reference, a copy of this form may be obtained at: <http://www.portlandonline.com/shared/cfm/image.cfm?id=119851>.

Wells Fargo & Company is a diversified financial services company that provides retail, commercial and corporate banking services through banking stores located in 23 states. We utilize various vendors and other third parties to handle portions of our business, however, these contracts are not specific to the City's work, but are on a geographic and/or line of business basis. Wells Fargo is unable to segregate out which work performed and payments submitted to these vendors and other third parties may pertain to services rendered to City under this Agreement. Accordingly, Wells Fargo does not believe that its activities under the Agreement with City qualify for the submission of subconsulting reports.

6. Supporting Information

Supporting material must include a minimum of three references, and may include other information pertinent to the project or work to be performed. References must include the contact person's name, agency, address, phone number, their role in the project (e.g., project manager, etc.), name of the project and when the work was done.

References

Contact Name & Title	Laurie Steele, Treasurer
Agency Name	Marion County
Address	555 Court St. N.E. P.O. Box 14500 Salem, OR 97309
Telephone Number	(503) 588-3568
Services Provided	Payee Validation, Zero Dollar Authorization, <i>Desktop Deposit</i> w/Reporting, Return Item Subscription, <i>CEO</i> Cash Vault, Cash Vault, Controlled Disbursement, Account Reconciliation Outbound Transmission, Internet ACH, <i>CEO</i> ACH Fraud Filters, <i>CEO</i> Wires, Intraday Report, Previous Day Report, Event Messaging, Self Administration
Timeframe	Since 2003

Contact Name & Title	Debbie Todd, Treasury Manager
Agency Name	Oregon Health Sciences University
Address	Mail Code AD201 3181 SW Sam Jackson Park Rd Portland, OR 97239-3098
Telephone Number	(503) 494-0068
Services Provided	Standby Letters of Credit, ACH, Account Reconciliation, Controlled Disbursement, Image Delivery, Electronic Commerce Services, Foreign Cash Letter, Information Reporting, Lockbox, Sweep, Cash Vault, Wires, Merchant Card, Electronic Deposited Items, Foreign Exchange, Investment Management, Trustee/Custody, Liquidity Management
Timeframe	Since 1995

Contact Name & Title	Teri Allen, Manager - Corporate Finance
Agency Name	City of Seattle
Address	PO Box 34214 Seattle, WA 98124
Telephone Number	(206) 684-5226
Services Provided	General Treasury Management Account and Reporting Services, Cash Vault, Controlled Disbursement, ACH, Wires, Positive Pay with Payee Validation, Returned Items Services, Sweep (Repurchase Agreement Option)
Timeframe	Since 2000

Community Reinvestment Act

Wells Fargo is committed to the communities we're a part of, as evidenced by our significant Community Reinvestment Act (CRA) commitment. It is our intention, through our CRA leadership pledge, to be the unrivaled banking leader in CRA lending throughout the Western United States and to maintain our commitment to the communities we serve. Wells Fargo's leadership role in creating special lending programs that meet the needs of our constituents has been recognized by the Office of the Comptroller of the Currency, which awarded us its highest possible rating "**Outstanding**" for our community reinvestment performance.

Charitable Contributions

An important part of our bank culture is to be a good corporate citizen. From our earliest days, Wells Fargo has been a place where community involvement mattered and where employees gave generously. Today, these traditions remain important. Through the Wells Fargo Foundation, our contributions take many forms: financial support, volunteerism and matching/in-kind gifts. We focus our support in six areas: education, human services, community development, arts and culture, civic activities and the environment.

We donated \$1.2 million in 2007 to 325 nonprofits and schools in Oregon. This includes \$169,000 that Wells Fargo matched when team members contributed to pre-K through college educational institutions.

The Wells Fargo Housing Foundation has donated \$388,000 to housing nonprofits in Oregon since 2001. We offer funding when team members help build or rehabilitate a home for low-to moderate-income families.

Each year we sponsor a community support campaign to raise more funds for our communities. In 2007, our team members raised \$411,000 for nonprofits in Oregon, and reported 23,000 volunteer hours.

We have many programs and services to serve the financial needs of our Oregon customers who are ethnically diverse. Many of our stores have bilingual team members and non-English language signs and brochures. All of our Oregon ATMs feature six languages – English, Spanish, Hmong, Chinese, Korean, and Vietnamese.

Wells Fargo's financial education program, Hands on Banking[®]/El futuro en tus manos[®], teaches children, teens and adults with free, comprehensive money management skills. Oregon team members teach individuals and small businesses in partnership with nonprofits and schools and they also participate in workshops held by local chapters of Junior Achievement. For more information please visit [www.http://www.handsonbanking.com](http://www.handsonbanking.com).

In Oregon, we're the #1 small business lender (for loans under \$100,000), extending \$548 million statewide in 2006.

EXHIBIT D

PRICING

7. RFP Response Exhibit D Pricing Schedule and Appendix 1:Optional Supplemental Pricing Schedule, revised and effective April 1, 2009

1. **Transaction Pricing Matrix.** Please state your fee for the following services:
Please see Appendix 1 Supplemental Fee Schedules in Tab 10

	Services	Est Monthly Volume	Per Item Fee	Total Fee
General Account Services				
CK001/22051	Account Maintenance	27	5.000	135.00
ZBABC	Zero Balance Account Maintenance	3	5.000	15.00
Deposit and Check Processing Services				
401	Encoded Checks - On Us	7,542	0.011	82.96
452	Encoded Checks – Local	4,414	0.017	75.04
452	Encoded Checks - Local Clearinghouse	31,689	0.017	538.71
406	Encoded Checks – Transit	5,528	0.040	221.12
403	Encoded Checks – Regional	2,285	0.030	68.55
453	Encoded Checks - Regional Select		0.030	
001	Non-Encoded Checks - On Us	2,285	0.030	68.55
085	Non-Encoded Checks – Local	1,772	0.030	53.16
085	Non-Encoded Checks - Local Clearinghouse	6,370	0.030	191.10
006	Non-Encoded Checks – Transit	5,535	0.060	332.10
003	Non-Encoded Checks – Regional	1,454	0.050	72.70
201	Cash Vault Checks - On Us	445	0.030	13.35
207	Cash Vault Checks – Local	788	0.030	23.64
207	Cash Vault Checks - Local Clearinghouse	1,169	0.030	35.07
206	Cash Vault Checks – Transit	1,155	0.060	69.30
203	Cash Vault Checks – Regional	176	0.050	8.80
CVBSE	Cash Vault Base Fee - Per Account	3	0.000	0.00
CK011	Credits Posted	1,090	0.380	414.20
CK061	Returned Items - Chargeback	137	1.250	171.25
CK075	Returned Items Redeposited	192	0.750	144.00
15007	Desktop Deposit - Credits Posted	150	0.080	12.00
701	Desktop Deposit – Drawn on Bank	154	0.040	6.16
706	Desktop Deposit – Drawn on Another Bank	1,021	0.060	61.26
Coin & Currency				
CK161/08290	Cash Deposited	991,000	0.0006	594.60
CK131	Coin Rolls Ordered - branch	292	0.125	36.50
CK141	Currency Ordered Per \$100 - branch	106	0.065	6.89
CK197	Change Order Charge Branch - branch		2.000	
EDI Services				
CEOED	EDI Report Maintenance - Per Account	3	20.000	60.00
34242	EDI Portal Report – Per Item (CEO Treas Info Rptg-EDI Item)	268	0.050	13.40
ED181	EDI Fax Report - Per Page	77	1.500	115.50
34245	EDI Addenda Record (CEO Treas Info Rptg EDI addenda)		0.050	
28003	Electronic Commerce Fax Report - Account		35.000	

	Services	Est Monthly Volume	Per Item Fee	Total Fee
Wires/Fund Transfer Services				
WNWRB	Internet Wire Subscription Per Account	1	20.000	20.00
34207	Internet Wire Subscription Per Item	13	0.050	0.65
ES030	Incoming Domestic Wires	13	2.500	32.50
ES139	Internet Wires Out	21	2.500	52.50
ES141	Internet Wire Book Transfers	14	0.250	3.50
ES075	Internet Wire Template Storage	7	0.250	1.75
Check Services				
22202	Checks paid (not pos pay or cont. disb)	264	0.040	10.56
22068	Checks returned with statement	264	0.050	13.20
12670	Stop Payment – Internet	13	5.000	65.00

2. **Positive-Pay Check Fraud Protection System.** The City has nine checking accounts that utilize a Positive Pay system described in Part I, Section A, 2. What is the total monthly charge associated with positive pay and full reconciliation of these nine accounts assuming monthly activity of:

ARP checks paid	8,142
ARP account maintenance	9
ARP Input/Transmit - Items	8,603
Exception checks returned	6
ARP checks returned with statement	1,162
ARP Output/Transmit – Items	21
ARP Optional Reports	63
ARP Serial Sort – Per Item	821

Please note that a basic account (or zero balance account) maintenance fee is included in the prior Transaction Pricing Matrix section, so please include the *incremental* cost for positive pay maintenance. Also note that check imaging on CD-ROM (for payroll and accounts payable, both positive pay accounts) will be covered in the next section and should not be included here. Based upon this information, what is your total monthly fee?

Provide Details of Fee Structure and Features:

Positive Pay Check Fraud Protection System		Est Monthly Volume	Per Item	Total Fee
12217	ARP Checks Paid	8,142	0.0400	325.68
12060/12063	ARP Account Maintenance	9	15.0000	135.00
12377	ARP Input/Transmit-Items	8603	0.0300	258.09
12505/14327/ 12904/14804	Exception Checks	6	3.0000	18.00
12216	ARP Checks Returned with Statement	1162	0.0500	58.10
N/A	ARP Output/Transmit Items	21	0.0000	0.00
12604	ARP Output Reports (Optional Reports)	63	2.0000	126.00
12631	ARP Serial Sort-Per Item	821	0.0350	28.74
12430	ARP Transmit – File	21	4.0000	84.00
12900/14080	Positive Pay Maintenance	9	0.0000	0.00
DS191	Payee Validation	8603	0.0150	129.05
DS728	Serial Sort Monthly Base	2	0.0000	0.00
34336	Positive Pay Exceptions Images Viewed	6	1.0000	6.00
Total				1,168.65

Footnotes:

Includes Payee Validation-assumes 8603 checks
Assumes 6 images viewed
Assumes daily ARP file transmitted

3. **Check Truncation.** The City currently receives paid checks imaged on CD-ROM for two accounts: accounts payable (controlled disbursement) and payroll. CD-ROMs are created for thirteen accounting periods. What is the total monthly charge associated with providing this service for these two accounts based on the following monthly activity:

Accounts payable checks paid and imaged
 Payroll checks paid and imaged

4,198
 2,760

Based upon this information, what is your total monthly fee?

Provide Details of Fee Structure and Features:

Check Truncation		Est Monthly Volume	Per Item	Total Fee
N/A	CD Rom Per Item - Conrolled Disb.	4198	0.0000	0.00
DS255	CD Rom Per Item - DDA Acct.(Wells Image)	2760	0.0200	55.20
22015/14600	Monthly Maintenance Per CD (Wells Image)	2	10.0000	20.00
Total				75.20

4. **Controlled Disbursement.** The City is currently using controlled disbursement services for all Accounts Payable checks. All controlled disbursement checks are currently paid through Wachovia Bank in Greenville, South Carolina, and reporting is based upon thirteen accounting periods. Please include all charges and fees associated with providing this service assuming 4,198 checks are paid per month. Note that processing of these checks are not included in the Transaction Pricing Matrix, Section 1 of Exhibit D, and need to be covered here. Positive pay and CD-ROM are covered in prior sections. What is your total monthly fee for this service?

Provide Details of Fee Structure and Features:

Controlled Disbursement		Est Monthly Volume	Per Item	Total Fee
14070	Account Maintenance – Greenville	1	75.000	75.00
14225	Cont. Disb. Checks Paid – Greenville	4198	0.1000	419.80
14110	Cont. Disb. Credits Posted - Greenville	21	0.0000	0.00
21501	Account Maintenance - Van Wert, OH	1	40.0000	40.00
21509	Cont. Disb. Checks Paid - Van Wert, OH	4198	0.0400	167.92
21507	Cont. Disb. Credits Posted - Van Wert, OH	21	0.0000	0.00
CEOCD	Cont. Disb. Subscription Reporting	1	20.0000	20.00
34215	Cont. Disb. Subscription Per Item	4198	0.0500	209.90

5. **ACH Services.** The City uses ACH services for payroll direct deposit (paycheck and credit union deductions), Fire and Police Retirement and Disability payments (files created using the bank's Internet portal), and collection of retiree health premiums (also using the Internet). The City receives ACH items to three accounts from a multitude of originators and is notified through the bank's Internet portal (one account) and a daily fax (two accounts). In addition, the City has ACH fraud filters on all 28 accounts. What is your total monthly charge for ACH services based on the following **monthly** activity:

		Est Monthly Volume	Per Item	Total Fee
ACHBS	Base/maintenance charge for mainframe service	4	10.0000	40.00
ES323	Mainframe transmissions	31	2.0000	62.00
34377	Base/maintenance charge for Internet service	2	10.0000	20.00
34378	Internet transmission (batch)	7	5.0000	35.00
ES211/ES213	Mainframe created transactions (one day)	13002	0.0200	260.04
ES210/ES215	Mainframe created transactions (two day)	2694	0.0150	40.41
ACH1D	Internet created transactions (one day)	644	0.0200	12.88
ACH2D	Internet created transactions (two day)	1620	0.0150	24.30
ES344	ACH received items	197	0.0400	7.88
ES250	Returned items with advice	28	1.0000	28.00
CEOAF/CEOAB/ ACHSB	ACH fraud filter maintenance charge	28	5.0000	140.00
	Total			670.51

What is your total monthly fee for this service?

Provide Details of Fee Structure and Features:

Additional elements that may apply – dependant upon usage:

ACH Services		Est Monthly Volume	Per Item	Total Fee
ES237	ACH Fax Service - page	1	2.5000	2.50
ES336	ACH Scheduled File Service	2	10.0000	20.00
ES342	ACH Customer Reports - day	1	0.1000	0.10
34335/34338	Fraud Filter Review/Stop - per item		1.0000	
ES363/ES371	NOC Advice		2.2500	
CK018	Electronic Credit	197	0.0400	7.88
ES251	ACH Return Item - Fax Advice		2.0000	

6. **Consolidate Internet bill payments (e.g., CheckFree, Metavante) and create and transmit a file.** What is your total monthly charge for ACH services based on the following **monthly** activity:

Monthly Base Fee – Account	1
Billpay Return/ NOC Item	10,484
Outgoing Transactions (daily files)	21
Billpay Returns	4

Provide Details of Fee Structure and Features:

Internet Bill Payments		Est Monthly Volume	Per Item	Total Fee
28019	Receivables Manager Mo. Base	1	75.0000	75.00
ED470	Receivables Mgr - Billpay Item	10,484	0.0400	419.36
28226	EC Bill Pay Items On Us	0	0.0400	0.00
28006	Outgoing Transactions (daily files)	21	5.0000	105.00
ED472	Billpay Returns	4	2.2500	9.00
Total				608.36

7. **Internet Balance Reporting.** The City downloads previous day summary and detail information for 13 accounts (see Part I, Section A, 2, D). Based on a monthly average of 3,677 detail items, what would be your monthly fee for these services?

Provide Details of Fee Structure and Features:

Internet Balance Reporting		Est Monthly Volume	Per Item	Total Fee
WNPDB	Monthly Maintenance - account	13	20.0000	260.00
34115	Per Item loaded	3,677	0.0500	183.85
Total				443.85

8. **Merchant Bankcard Services.** The City recognizes that pricing for credit card processing includes Visa/MasterCard interchange and assessments as well as the proposer's processing fees. Interchange and assessment fees will be passed directly for each merchant account and, in the event of interchange increases or decreases at any transaction qualification level, the new rate will be passed directly. In addition, the Proposer will charge a transaction fee. Based upon the merchant bankcard activity described in Part 1, Section A, 2, E, **please state your transaction fee expressed as either a percentage rate, an item charge, or a combination of the two:**

Please see Pricing Terms for a complete list and description of all applicable fees.

\$0.0414 per settled transaction

Provide Details of Fee Structure and Features and attach the most recent Visa/MasterCard matrix of Interchange levels and fees:

Please address all costs of services not included in your transaction fee. Please ensure that all costs associated with merchant bankcard processing described in this RFP are included. Any fee not fully documented in your proposal will not be allowed during the course of the contract.

- a. Monthly Service/Maintenance Charge

Specify terms for monthly charge, i.e., per bureau, per merchant account number, etc. \$10.00 per month

The Monthly Service Fee of \$10.00 per month applies to the following merchant accounts that do not meet minimum transaction volume requirements:

227175715993
 328170322999
 328170320993
 325140500993
 325140501991
 328170325992
 325168640994
 325164763998
 325168630995
 325164762990

b. Transaction Fees (other than Visa/MasterCard interchange and assessments, and merchant transaction fee)

- Other (specify) Non Bank Card Transaction Fee: \$0.0414 per settled transaction
- Other (specify) Visa Access Fee: \$0.0077 on each gross sales transaction
- Other (specify) MasterCard Access Fee: \$0.0068 on each gross sales transaction

Fee Changes Effective April 17, 2009:

- Other (specify) MasterCard Access Fee (previously \$0.0068): \$0.0018 on each gross sales transaction
- Other (specify) MC NABU Fee: \$0.0185 on each gross sales and return transaction

c. Debit Card Transaction Fees \$0.0414 per PIN Debit Transaction

d. Reporting Fees
 Specify terms, e.g., prices are per month per report, etc.

- Daily Reports N/A
- Monthly Reports N/A
- Monthly Corporate Report for Treasury Division N/A
- Other (specify) _____ N/A

e. Help Desk N/A

Specify terms: N/A

f. Hardware available (purchase or lease):

- Terminals (specify) First Data 100 \$271.00 per terminal (without tax)
- Terminals (specify) First Data 200 \$428.00 per terminal (without tax)
- Terminals (specify) Verifone Omni VX570 (Wireless Capable) \$406.00 per terminal (without tax)
- Terminals (specify) Hypercom T7 Plus (1MG) \$227.00 per terminal (without tax)
- Printers (specify) _____
- Pin/Pad (specify) First Data FD-10 PCI \$96.00 per PIN Pad (without tax)
- Pin/Pad (specify) Hypercom P1300 \$108.00 per PIN Pad (without tax)
- Terminal/Printer (specify) _____
- Keyboard Swipe (specify) _____
- Other (specify) _____
- Other (specify) _____
- Other (specify) _____

- g. VeriSign monthly charge: No Charge
- h. Volume Discounts: N/A
- i. Detail discount applied if transaction/dollar volumes reach a specified level:

- j. Other Costs:
Detail any additional costs in the space provided:
- Electronic Address Verification Fee: \$0.01 per attempt
- Voice (Manual) Address Verification: \$2.00 per attempt
- Voice Authorization Fee: \$0.75 per attempt
- Chargeback Fee: \$15.00 per chargeback
- Foreign Handling Fee: 0.10% on foreign card sales
- Cross Border Fee: 0.30% per Non-US issued MC
transaction settled in US\$
- Cross Border Fee (non USD): 0.40% per Non-US issued MC
transaction settled in non-US\$
- Visa International Service Fee: 0.40% per Non-US issued Visa
transaction
- Terminal Replacement Fee: \$225.00 per terminal
w/integrated Pin Pad
\$200.00 per terminal
\$125.00 per printer
\$100.00 per pin pad
- Set-Up Fee Waived
- Annual Fee Waived
- Annual Compliance Support Fee Waived

Pricing assumes no material change in mix of transactions or volumes from those provided to WFMS. Pricing may require a re-evaluation if the mix of transactions or volumes change significantly.

Pricing assumes that WFMS will perform the authorization and capture for all non-bankcard transactions that can be processed on First Data Merchant Services' North authorization network and First Data Merchant Services' North settlement/reporting.

- 9. **Trust Services.** Please enter the fees based upon the following average monthly securities volume:

Please see the separately submitted Trust proposal for service fees.

8. First Tier Disclosure Form

We have completed the City's First Tier Disclosure Form and included it in this section.

9. Exhibit B Certification of Compliance with Minimum Requirements

EXHIBIT B

CERTIFICATION OF COMPLIANCE WITH MINIMUM REQUIREMENTS OF RFP

I have read, understand and agree to comply with the minimum requirements specified in the PART I, SECTION B. 1. TECHNICAL OR REQUIRED SERVICES portion of this RFP. Checking "YES" indicates acceptance, while checking "NO" denotes non-acceptance and should be detailed below. Any exceptions **MUST** be documented and explained in the form below. The City, at its sole discretion, must approve these exceptions or proposal may be rejected for non-responsiveness.

YES _____ NO _____ X _____ SIGNATURE _____

EXCEPTIONS: Attach additional sheets if necessary. Please use this format.

EXCEPTION SUMMARY FORM

MINIMUM REQUIREMENT NUMBER	EXPLANATION OF NON-ACCEPTANCE
Treasury Management: Part 1, Section B.3. Deliverables	Please refer to proposed language below for Section 11 of contract.
Treasury Management: Part 1, Section B.7. Insurance, with changes also applying as appropriate to Exhibit C of Sample Contract	<p>The successful Proposer(s) shall agree to maintain continuous, uninterrupted coverage of all insurance as required by the City. There shall be no cancellation, material change, or reduction of limits resulting in non compliance with the requirements outlined herein. Any such changes, including an intent not to renew the insurance coverage(s), are subject to the successful Proposer providing the City without a 30-day written notice. from the successful Proposer(s) or its insurer(s) to the City.</p> <p>Certificates of Insurance: As evidence of the insurance coverages, the successful Proposer shall furnish acceptable insurance certificates to the City at the time signed contracts are returned to the City. The certificate will specify all of the parties who are Additional Insureds and will include a the 30-day cancellation clause as identified above. Insuring companies or entities must be financially sound and licensed to do business in Oregon. are subject to City acceptance. If requested, complete policy copies shall be provided to the City. The successful Proposer shall be financially responsible for all pertinent deductibles, self-insured retentions, and/or self-insurance.</p>
Treasury Management: Part 1, Section C.1 Index	We have provided Treasury Management documents (in Exhibit B), which are incorporated into the Contract and become a part thereof.

MINIMUM REQUIREMENT NUMBER	EXPLANATION OF NON-ACCEPTANCE
Treasury Management: Part 1, Section C.2 Sample Contract	<p>STANDARD CONTRACT PROVISIONS</p> <ul style="list-style-type: none"> • Section 4 – Order of Precedence. We propose the following language: <i>“This contract consists of the terms and conditions of this contract, the Request for Proposals (RFP) issued by the City, and the Contractor’s proposal in response to the RFP. In the event of any apparent or alleged conflict between these various documents, the following order of precedence shall apply to resolve the conflict: a) this contract’s terms and conditions, b) the Contractor’s proposal in response to the RFP, and c) the City’s RFP.</i> Explanation: This language changes the order of precedence because of the services and exceptions we have outlined in our response. • Section 7—Remedies: Subsection (a). We propose the following language for the second sentence. <i>“In the event the cost of completing the work exceeds the remaining unpaid balance of the total compensation provided under this contract, then the Contractor shall pay to the City the excess, if any, between the amount remaining to be paid to the Contractor under this Agreement and the amount that the City would have had to pay the next lowest bidder under the applicable Request for Proposal.”</i> • Section 8—Subcontracts and Assignment: Delete Section. Explanation: Wells Fargo is an extremely large organization and at any time utilizes numerous vendors and other third parties to handle various aspects of its banking business, e.g., armored car carrier, couriers, etc. Wells Fargo does not, however, anticipate utilizing subcontractors specifically for its business under this Agreement, other than those already used by the Bank in general. Wells Fargo is a highly regulated financial institution, and each vendor or subcontractor is strictly scrutinized before being chosen to perform work for the Bank and during the course of their relationship with Wells Fargo. • Section 10 – Insurance, Exhibit C: Please refer to exceptions outlined above, for Part 1, Section B.7. • Section 11—Ownership of Work Product: We propose the following language: <i>“Notwithstanding any of the foregoing, the Bank shall retain all ownership rights and all related intellectual property rights in any Works and Documents developed independently of this Agreement by the Bank and provided to the City in connection with the performance by the Bank under this Agreement (“Pre-Existing Works and Documents”). The City shall have a non-exclusive, irrevocable, perpetual, royalty-free, fully paid-up, transferable, worldwide license: (i) for internal purposes, to use, copy, display, operate, maintain, support, modify, enhance, and prepare derivative works of the Pre-Existing Works and Documents (whether or not incorporated into the Works and Documents); and (ii) for internal or external purposes, to use, copy, display, operate, maintain, support, modify, enhance, prepare derivative works of, sublicense, and distribute Pre-Existing Works and Documents that are incorporated into the Works and Documents furnished by the Bank to the City under this Agreement.”</i>

MINIMUM REQUIREMENT NUMBER	EXPLANATION OF NON-ACCEPTANCE
Treasury Management: Part 1, Section C.2 Sample Contract	<ul style="list-style-type: none"> • Optional Provisions – Sections 22-25 and Exhibits A and A1 – Delete, as not applicable. Explanation: Wells Fargo & Company is a diversified financial services company that provides retail, commercial and corporate banking services through banking stores located in 23 states. We utilize various vendors and other third parties to handle portions of our business, however, these contracts are not specific to the City’s work, but are on a geographic and/or line of business basis. Wells Fargo is unable to segregate out which work performed and payments submitted to these vendors and other third parties may pertain to services rendered to City under this Agreement. Accordingly, Wells Fargo does not believe that its activities under the Agreement with City qualify for the submission of subconsulting reports. • We propose the following new section 22: <i>22. Additional Documentation. To the extent not inconsistent with the provisions of the Contract, the treasury management services furnished by the Contractor to the City shall be governed by the Contractor’s standard deposit and treasury management agreements (collectively, the “Service Documentation”) governing the accounts and services outlined in the RFP and the Contractor’s Proposal. The Service Documentation includes, but is not limited to, the Acceptance of Services, the Master Agreement for Treasury Management Services, the Commercial Account Agreement, and the Service Description for each of the services provided hereunder. Copies of the Service Documentation are submitted with this Proposal. Modified and/or additional language may be required in the Service Documentation concerning certain regulatory requirements relating to these services. The Contractor anticipates that the City will want to negotiate some of the provisions in the Service Documentation and will agree to make reasonable changes that are mutually acceptable.”</i>
Merchant Services: Standard Contract	<p>Wells Fargo Merchant Services is only responding to the merchant processing sections of this Request for Proposal. Wells Fargo Merchant Services would like to clarify that the Merchant Processing Agreement and the Bank Agreement are separate agreements. We are providing a copy of our Program Guide which we request to become the final contract, or have incorporated into the final agreement between Wells Fargo Merchant Services and the City of Portland as first in order of precedence. If awarded the bid, we are willing to negotiate mutually acceptable terms and wish to clarify that the remaining terms of the Request for Proposal will not apply to the provisions of our services. In addition, the City of Portland should be aware that the processing of credit and debit card transactions is subject to the terms, conditions, policies, and procedures of the Visa and MasterCard Associations and the non-bankcard issuers. All card processing responses in this document are subject to the Wells Fargo Merchant Services’ Merchant Processing Agreement. If there are conflicts with the terms and conditions in the Wells Fargo Merchant Services’ Merchant Services Agreement and the terms and conditions in this Request for Proposal, Wells Fargo Merchant Services will negotiate in good faith to resolve. The terms, conditions, policies and procedures of the Visa and MasterCard Associations and the non-bankcard issuers are independently established and beyond Wells Fargo Merchant Services’ control. Card Association mandated fees and assessments are governed by the Card Associations and are subject to change during the term of the contract.</p>

10. Appendix 1: Optional Supplemental Pricing

Optional Services Pricing

Pricing for the enhancements discussed in the Optional Services #2 section has not been included. These products are complex in nature and pricing can vary widely depending upon features and options selected. Should the City require pricing for any of these services, we ask that you contact us so we can determine the exact functionality being requested.

Wells Fargo Supplemental Pricing

	TMA Code	Service Description	Charge Basis	Price
		General Account Services		
CK044	010310	DDA Statement Special Request	statement	7.50000
CK183	010320	DDA Statement - Special Instruction	statement	1.00000
CK040	010419	Client Analysis Statement-Duplicate	statement	5.00000
CK184	010610	DDA Statement Photocopy	photocopy	12.00000
70067	019999	ACH Electronic Check Dishonor	transaction	3.50000
70064	019999	ACH Electronic Check On-Us 0 Day	transaction	Incremental
		1st 5000		0.08000
		5001 to 10000		0.07000
		Remaining		0.06000
70062	019999	ACH Electronic Check On-Us 1 day	transaction	Incremental
		1st 5000		0.10000
		5001 to 10000		0.08500
		Remaining		0.07000
70063	019999	ACH Electronic Check On-Us 2 day	transaction	Incremental
		1st 5000		0.08000
		5001 to 10000		0.07000
		Remaining		0.06000
70066	019999	ACH Electronic Check Redeposit	transaction	3.50000
70065	019999	ACH Electronic Check Return	transaction	3.50000
70060	019999	ACH Electronic Check Transit 1day	transaction	Incremental
		1st 4999		0.15500
		5000 to 14998		0.14500
		14999 to 64997		0.12000
		Remaining		0.11000
70061	019999	ACH Electronic Check Transit 2 day	transaction	Incremental
		1st 5000		0.10000
		5001 to 10000		0.08500
		Remaining		0.07000
12601	010131	ARP Duplicate Statement	statement	25.00000
12602	010310	ARP Statement - Frequent Cycle	statement	50.00000
		Maximum		300.00000
22962	010600	Balance Inquiry Customer Serv-Item	call	10.00000
22966	010600	Deposit Inquiry Cust Service-Item	credit	2.00000
22810	019999	Non Acct Holder Chk Cashing - Full	check cashed	7.50000
22812	019999	Non Acct Holder Chk Cashing - Payee	check cashed	0.00000
22811	019999	Non Acct Holder Chk Cashing-Partial	check cashed	3.50000
CK021	10100	Debits Posted	debit	0.08000
		Depository Services		
CK759	100013	Coin Deposited Subject-To-Count	bags of coin	12.50000
CK781	100014	Coin Deposited Half Bags	coin bag	3.75000
CK791	100012	Coin Deposited Partial/Mixed Bags	coin bag	10.00000
CK771	100014	Coin Deposited Full Bags	coin bag	6.00000
CK084	100420	Return Item With Maker Name	item	0.15000
08078	100159	Cash Vault Locked/Zippered Bag-Dep	deposit	75.00000
08056	100015	Cash Vault Cash Dep Night Drop /\$1	dollar	0.00160

	TMA Code	Service Description	Charge Basis	Price
		Depository Services (continued)		
08192	100143	Cash Vault Cash Order-Special	cash order	100.00000
08071	100111	Cash Vault Coin Dep-Partial/Mix Bag	coin bag	7.50000
08072	100113	Cash Vault Coin Dep-Std Half Bag	coin bag	3.00000
08070	100112	Cash Vault Coin Dep-Subj To Count	coin bag	12.00000
08067	100113	Cash Vault Coin Deposit-Std Bag	coin bag	3.50000
08073	100110	Cash Vault Coin Deposited - Rolled	deposit	10.00000
08116	100145	Cash Vault Coin Furn-Std Half Box	coin box	2.50000
08110	100144	Cash Vault Coin Furnished - Rolled	coin roll	0.10000
08115	100146	Cash Vault Coin Furnished-Std Box	coin box	3.50000
08400	100148	Cash Vault Currency Furn-Nonstd	dollar	0.00150
08416	100199	Cash Vault Currency Furnished	dollar	0.00120
08130	100106	Cash Vault Deposit Conditioning	dollar	0.00170
08201	100120	Cash Vault Food Stamp Dep-Loose	food stamp	0.07000
8160	100501	Cash Fault Deposit Adjustment	adjustment	5.00000
VLTRT	100199	Cash Vault Retn Dup Deposit Ticket	location	40.00000
08612	100113	Expanded Network Coin Dep-Std Bag	coin bag	3.50000
08606	100144	Expanded Network Coin Furn - Rolls	coin roll	0.10000
08608	100147	Expanded Network Coin Furn-Std Bag	coin bag	2.75000
08607	100146	Expanded Network Coin Furn-Std Box	coin box	4.00000
08605	100148	Expanded Network Curr Furn-Nonstd	dollar	0.00150
08604	100199	Expanded Network Currency Furnished	dollar	0.00120
08616	100501	Expanded Network Deposit Adjustment	adjustment	5.00000
08618	100120	Expanded Network Fd Stmp Dep-Loose	food stamp	0.07000
08614	100111	Expanded Netwrk Coin Dep-Part/Mixed	coin bag	7.50000
08615	100112	Expanded Netwrk Coin Dep-Subj To CT	coin bag	12.00000
08609	100145	Expanded Netwrk Coin Frn-Std Hf Bag	coin box	2.25000
08613	100113	Expanded Ntwrk Coin Dep-Std Hlf Bag	coin bag	3.00000
14406	100230	Cont Disb MICR Rejects-Greenville	excess rejects	1.25000
CK416	100420	Return Item Duplicate Advice	advice/notification	3.50000
499	100230	Encoded Checks-Excess Reject	excess rejects	0.50000
IL152	609999	Deposited Check Canadian	check deposited	5.00000
CK069	100400	Return Item Special Instructions	item	0.01033
CK081	100401	Return Item Special Inst. Mo Base	account	0.05556
CK443	100400	Return Item Forwarding	item	1.00000
		Paper Disbursement Services		
24250	150340	Overdraft Charge-Paid Item	item	0.00000
		1st 5		0.00000
		Remaining		0.00000
		Maximum		0.00000
24253	150341	Overdraft Charge-Returned Item	item	0.00000
		1st 5		0.00000
		Remaining		0.00000
		Maximum		0.00000
22030	150412	Stop Payment - Renewal	stop payment	3.00000
12672	150410	Stop Payment - <i>Infotouch</i>	stop payment	14.00000
12671	150420	Stop Payment - Operator Assisted	stop payment	29.00000
12673	150411	Stop Payment - Range	stop payment	50.00000
12674	150410	Stop Payment - Transmission	stop payment	7.00000
CK101	150511	Official Bank Check	check	7.00000
22202	150100	DDA Checks Paid	check	0.09000
34337	200200	ARP Register Input <i>CEO</i> item	check issued	0.04000
22965	150401	Check Inquiry Customer Service-Item	credit/debit	2.00000
		General ACH Services		
ES216	250102	ACH On-Us Same Day	transaction	1.50000
ES206	250120	ACH Originated - Addenda Rec	transaction	0.03500
ES252	250302	ACH Ret Item-Info Reporting Advice	transaction	3.50000
ES240	250310	ACH Return Item-Redeposited	transaction	3.50000
ES362	250311	ACH Return Item - Dishonored	transaction	3.50000
ES230	250620	ACH Delete - Item	delete	15.00000

	TMA Code	Service Description	Charge Basis	Price
		General ACH Services (continued)		
ES361	250642	ACH Reversal - Item	reversal	20.00000
ACHYD	250102	Internet ACH Same Day Item	transaction	1.50000
34338	251052	ACH CEO Fraud Filter Stop - Item	transaction filtered	7.00000
ES481	250302	ACH NOC - Info Reporting Advice	transaction	3.50000
ES390	251070	ACH Wells Fargo NOC - Info Rept Advic	transaction	3.50000
ES231	250620	ACH Delete/Reverse - Batch/File	batch/file	25.00000
		EDI Payment Services		
ED472	300099	Recv Manager Billpay Rtn / NOC Item	item	2.25000
28011	300200	Receivables Manager Recvd Addenda	addenda record	Aggregate
		Up to 499		0.06500
		Up to 4999		0.05000
		5000+		0.04000
		Wire & Other Funds Transfer Service		
18901	350104	Wire - Outgoing FX Wire - CEO	transfer	15.00000
ES020	350220	Wire Book Transfer-Voice Repetitive	transfer	20.00000
ES025	350222	Wire Book Transfr-Voice Non-repetitive	transfer	25.00000
18579	350222	Wire Book Trnsfr End Of Day-Infotch	transfer	4.00000
ES076	350310	Wire IN - International	transfer	16.00000
ES078	350525	Wire IN Drawdown	message	20.00000
18580	350222	Wire Out Domestic Infotouch	transfer	12.00000
ES015	350202	Wire Out Domestic-Voice Non-repetitive	transfer	38.00000
ES010	350200	Wire Out Domestic-Voice Repetitive	transfer	34.00000
18903	350202	Wire Out FX - Voice Repetitive	transfer	33.00000
18905	350202	Wire Out Intl FX-Voice Non-repetitive	transfer	35.00000
ES110	350212	Wire Out Intl-Voice Non Repetitive	transfer	50.00000
ES111	350210	Wire Out Intl-Voice Repetitive	transfer	48.00000
ES147	350113	Wire - Outgoing Int'l USD - CEO	transfer	25.00000
18030	359999	Wire IN Repair Surcharge	exception	6.00000
18602	350560	Wire Investigation	investigation	25.00000
ES167	359999	Wire Security Monthly Base	account	0.37500
18031	359999	Wire Out Repair Surcharge	exception	6.00000
		Information Services		
34123	4002ZZ	CEO Event Messaging Service - Email	item reported	0.50000
34124	4002ZZ	CEO Event Messaging Service - Fax	item reported	0.75000
22993	401001	Image PC Request-Mail Delivery	photocopy	4.50000
22992	401001	Online Image Request - Fax Delivery	photocopy	3.50000
22990	401001	Photocopy Customer Service - Item	photocopy	15.00000
22991	401001	Photocopy Infobank - Item	photocopy	5.00000
12812	151352	Online Image View <90 Days	image retrieved	0.75000
27707	150400	CEO Search	search	0.95000
34215	400224	CEO Cont Disb Subscription - Item	item accessed	0.05000
		International Services		
IL151	609999	Deposited Check Foreign	check deposited	5.00000
IL399	609999	Foreign Checks Returned	check returned	25.00000
IL421	600100	International Collection Charge	check collected	55.00000
44707	609999	International Photocopy	photocopy	3.00000
		Setup Charges		
22075	010320	Fiscal Calendar Set Up/Change	change	30.00000
06092	251001	ACH Origination New Comp ID-Set Up	setup	50.00000
ED271	300341	EC Implementation Dev Hours	hour	200.00000
28018	300321	Receivables Manager Custom Setup	setup	3,500.00000
34361	401020	Secure ID Token Card	setup	0.00000

City of Portland Retail Lockbox

TMA Code	Service Description	Charge Basis	Price	Monthly Volume	Activity Charges
	General Account Services				
010101	Credits Posted	credit	0.40000	21	8.40
	Subtotal				8.40
	Lockbox Services				
050000	Retail LBX Item Proc Overnight Mail	remittance	5.00000	1	5.00
050222	Retail Lockbox Image Storage	image produced	0.02000	20,000	400.00
050401	Retail Lockbox Transmission Item	remittance	0.00600	10,001	60.01
050413	Retail LBX Pkg Courier Delivery	\$ pass through	1.00000	21	21.00
050000	Retail Lockbox Check Only-OR	remittance	0.28000	1	0.28
050238	Retail Lockbox Credit Card Item-OR	remittance	1.00000	1	1.00
050200	Retail Lockbox Matched Item-OR	remittance	0.15000	9,997	1,499.55
050010	Retail Lockbox Monthly Base-OR	lockbox	200.00000	1	200.00
050202	Retail Lockbox Multiple Payment-OR	remittance	0.30000	1	0.30
050530	Retail Lockbox Reject-OR	remittance	0.26000	1	0.26
050401	Retail Lockbox Transmission Base	lockbox	100.00000	1	100.00
050201	Retail Lockbox Unmatched Item-OR	remittance	0.28000	1	0.28
	Subtotal				2,287.68
	Depository Services				
100220	Deposited Checks RLBX - On Us	check deposited	0.04000	1,500	60.00
100222	Deposited Checks RLBX - Local Clearng	check deposited	0.04600	1,500	69.00
100225	Deposited Checks RLBX - Regional	check deposited	0.05000	4,000	200.00
100224	Deposited Checks RLBX - Transit	check deposited	0.08000	3,000	240.00
	Subtotal				569.00
	Total Monthly Activity Charges				2,865.08
	Setup Charges				
050237	Retail Lockbox Programming / Setup*	hour	125.00000	TBD	TBD
050012	Reg Retail LBX PO Box Rental	\$ pass through	1.00000	974	974.00

*Programming is dependant upon the complexity of implementation and the requirements of the City.

The above pricing estimate is based on certain assumptions drawn from projected volume, scope of services and/or other information you have provided. The pricing is subject to change if the actual volume and/or scope of services differ from the assumptions upon which the pricing estimate was based.

The above is representational of lockbox processing as described in the RFP - to further define the pricing, we would need additional information about your processing requirements, expected payment mix, etc.

11. Appendix 2: Financial Statements

We have attached two hardcopies of our Call Report for First Quarter 2008 and our Wells Fargo & Company 2007 Annual Report in this section.

Our quarterly call reports can also be obtained online by visiting the following site and using the Wells Fargo FDIC Certificate No. 3511: http://www2.fdic.gov/Call_TFR_Rpts/search.asp.

The Wells Fargo & Company 2007 Annual Report can also be found online by visiting the following URL: https://www.wellsfargo.com/invest_relations/annual.

Wells Fargo Bank, N.A. is the only bank in the United States, and one of only two worldwide, to have the highest possible credit rating from both Moody's Investors Service, "Aaa," and Standard and Poor's Rating Services, "AAA."

Wells Fargo Bank, N.A.	Fitch Ratings	Moody's	Standard & Poor's
Ratings Outlook	Stable	Stable	Stable
Long-term Issuer Rating	AA	Aaa	AAA
Short-term Issuer Rating	F1+	P-1	A-1+
Bank Deposits	AA+	Aaa	-
Senior Unsecured	AA	Aaa	AAA
Subordinated	AA-	Aa1	AA+
Wells Fargo & Company	Fitch Ratings	Moody's	Standard & Poor's
Ratings Outlook	Stable	Stable	Stable
Long-term Issuer Rating	AA	Aa1	AA+
Short-term Issuer Rating	F1+	P-1	A-1+
Senior Unsecured	AA	Aa1	AA+
Subordinated	AA-	Aa2	AA
Preferred Stock	AA-	Aa3	AA-

12. Appendix 3: Sample Banking Reports

We have attached monthly bank statements, merchant bankcard statements, a sample prior day report, and an account analysis statement in this section. We have also included sample pages from our glossary of account analysis elements – the entire glossary can be viewed on *CEO*, or we'd also be happy to send you a hardcopy upon request.

13. Appendix 4: Merchant Bankcard Services Terms, Conditions and Security Procedures

We have attached our Wells Fargo Merchant Services Program Guide in this section, which contains our terms, conditions, and security procedures.

14. Appendix 5: Sample Securities Lending Agreement, Sample Tri-Party Repurchase Agreement and Sample Internet Reports for Custodial and Securities Lending Transaction Activity

Please refer to the separately submitted Trust Services Proposal.