INDIANA UNIVERSITY

REQUEST FOR PROPOSAL

RETAIL LOCKBOX SERVICES

October 16, 2000

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HISTORY

Indiana University (IU) founded in 1820, is a public educational institution. The Indiana University system includes eight campuses with core campuses located in Bloomington and Indianapolis; other campuses are located in Gary, South Bend, Columbus, Kokomo, Richmond and New Albany. IU is a State supported institution that enjoys a total student population in excess of 94,000 supported by a staff and faculty of over 17,000 personnel with an annual budget in excess of $2.3 billion.

Additional information on Indiana University may be seen at: http://www.indiana.edu

SCOPE
The intent of this Request for Proposal (RFP) and the ensuing process represents an effort to secure offerings from financial institutions for retail lockbox services to be provided to the university for bursar receivables. The university is looking to increase its bottom line by reducing processing time and increasing availability for university bursar receivables. Accuracy is of the utmost importance in processing the university's bursar receivables, as customer class schedules and graduation can depend on the prompt and accurate processing of payments. Imaging capabilities are an important part of this proposal but are not absolutely necessary.

Further, the purpose of this RFP, is to provide information and necessary requirements for such a service as outlined in this document. It is not intended to preclude or limit providers in any way from offering creative and economic solutions to our needs.

OBJECTIVES
The objectives of this solicitation process are to:

· Gain efficiencies in processing the university's bursar receivables.
· Increase the level of accuracy.
· Further streamline daily operations.
· Decrease response time of research items.
· Enhance operations by adding imaging to the process wherever feasible and cost effective.

Section A. SCHEDULE OF EVENTS
Issuance of RFP Document October 16, 2000

Responses Due November 30, 2000

Evaluate Proposals - Vendor
Meetings (at IU Discretion) December 1-29, 2000

Decision On Proposals January 2, 2001

Implement Lockbox Service January-June, 2001

Section B. REQUIREMENTS and RESPONSE GUIDELINES
2.1 Using information and following all requirements provided in the various sections of this document, the financial institution (FI) or service provider (SP) responding must reply to each and every item in this RFP.

2.2 Responses should be organized in the same sequence as this RFP and should respond directly to each specification item, requirement, or questions at the level of detail at which each is presented. In addition to point-by-point responses, you may include descriptive literature if you make reference to specific contents. In reviewing the proposals, university personnel will not

search through general literature. Where a question is asked, answer the question and supply any supportive detail.

2.3 Financial institutions are not required to re-write the statements as they appear in this RFP but should reference each response with the Section number and item number.

2.4 Where you are requested to supply information, include that information in the body of your response or note that it is comprised of an attachment to your response.

2.5 Failure to respond to all items in this RFP may result in the respondent's disqualification at the discretion of Indiana University.

2.6 Responses not conforming with the proper format as stated in this Section may also be eliminated.

2.7 While responses should address all RFP items, it is important to note that we also encourage and will consider any creative ideas for improvements or cost savings related to this transaction that may not be suggested in this document. Due to our current critical budgeting process, funding levels, and financial conditions within the State of Indiana, we seek economic savings wherever and in whatever form might be possible. Functional, technical, and economic solutions beyond the confines of this RFP may also be considered.

2.8 Any optional arrangements should be described and priced separately.

2.9 Evaluation Criteria: Proposals will be evaluated by the following criteria:

- 40% Cost of all Services Provided
- 10% Imaging Capabilities
- 20% Availability Schedule and Ledger Cut-off time
- 15% Customer Service (Client Support)
- 15% Quality Controls

2.10 Issuing Office:
All responses must be submitted on or before 3:00 p.m. November 30, 2000, Central Standard Time, to the attention of:

INDIANA UNIVERSITY
Purchasing Department
Attn: Mr. Patrick L. Smith, C.P.M
P.O. Box 4040
400 East 7th Street, Poplars Building, Room 403
Bloomington, IN 47402
Ph 812-855-5037 - Fx 812-855-7839
plsmith@indiana.edu

If you wish an electronic copy of this document. Please send your request via e-mail to plsmith@indiana.edu.

2.11 If you do not provide an electronic version, five (5) hard copies of your offer must be delivered to the Issuing Office noted above on or before the due date stated. If an electronic version can be provided via e-mail, then only one (1) hard copy is required. An electronic version provided by e-mail is encouraged. (A diskette with data via Microsoft or WordPerfect formats are acceptable also).

2.12 Those responding to this document should advise the Purchasing Department immediately of any ambiguity, inconsistency or error, which they may discover upon examination of this RFP.

2.13 All proposals must be delivered by the provider via postal service, commercial, or private delivery service. Facsimile or telephoned proposals will not be accepted.

2.14 All questions regarding RFP solicitation or university competitive procedures should be directed to the Purchasing Department.

2.15 Operational/Technical inquiries with regard to any requirement listed herein shall be via a written communication and directed to:

Indiana University Office of the Treasurer
Attn: Donna S. Broadstreet, CCM
Director, Banking Services
400 East Seventh Street, Poplars 207
Bloomington, IN 47405-3085
Ph 812-856-5838 - Fx 812-855-3863
dbroadst@indiana.edu

Section C: CONTRACT TERM and IMPLEMENTATION of SERVICE

3.1 The term of any agreement shall be for a period of three (3) years from live-date following implementation. All pricing detailed in the responses shall remain firm for the duration of the contract term.

3.2 The implementation time frame of the contract award shall be mutually agreed upon between the service provider and the University.

Section D. FINANCIAL INSTITUTION/PROCESSOR BACKGROUND

4.1 Please include your last year's financial statement along with one or more ratings from any of the following agencies: Standard & Poor's, Moody's, Thomson Bank Watch, Sheshunoff, or Lace.

o If your proposal is submitted by electronic media and the financial information required in 4.1 is not available by the same media or electronic process, this information must be delivered to the issuing office to arrive on or before the closing date of this solicitation process.

Section E. DESCRIPTION OF ACTIVITY

5.1 Indiana University is seeking a financial institution to provide retail lockbox services, including imaging capabilities, for the Bursar receivables on all IU campuses. The Office of the Bursar on each campus is decentralized and has responsibility for independently managing their campus' bursar receivables, however one common bursar database exists within Indiana University. Respondents to this RFP will be asked to provide the university with technological, banking and customer service support associated with the processing of payments via a lockbox operation.

5.2 Each Campus will use a remittance document/advice encoded with Optical Character Recognition (OCR) readable print on the scan-line. The University reserves the right to modify or design the remainder of the remittance form, preserving a common location and font for the scan-line for all campuses. The university will adhere to the font location and style specifications required by the service provider, in order to retain a scannable remittance document. IU will submit a supply of sample invoices for testing and approval by the service provider prior to the start of the retail lockbox service. The operating instructions and requirements for processing, delivery, reporting, service, deposits, etc. will be detailed under the heading "Processing Instructions" in the following section.

Section F. PROCESSING INFORMATION

6.1 The university's processing volume for the period of June 1999 through May 2000, can be found in **ATTACHMENT A**.

6.2 Remittance Document: The remittance forms provided by the campuses to their customers will direct payments to the lockbox processing center and will define the campus for which the process is being provided based on the P.O. Box number, to which it is delivered.

6.3 An "OCR" encoded, scannable remittance document will be used by each campus. The scan-line will detail the necessary university and campus specific characters and references that must be transmitted daily to the university, in order to interface with the Bursar Accounts Receivable System (BARS). The breakdown of this layout is detailed in **ATTACHMENT B**.

6.4 **Payment Processing**: The Processing Center will retrieve bursar payments directly from the Post Office at the earliest possible time once the mail becomes available and additionally at regularly specified intervals throughout the day.

6.5 Acceptable Payees

Acceptable payees would include:

· Indiana University*
· IU*

· Indiana University Purdue University Indianapolis*
· IUPUI*
· IU Indianapolis*
· IU Kokomo*
· IU Bloomington*
· IU Northwest*
· IU South Bend*
· IU Columbus*
· IU East*
· IU Richmond*
· IU Southeast*
· IU New Albany*

* With or without any of the following (Bursar, or Bursar Office, or Office of the Bursar, or School or…,)

6.6 Unacceptable Payees would include:

· Purdue University
· Indiana University Foundation
· IU Foundation
· University of Indianapolis
· Indianapolis University
· Indiana State University
· (Co-payable checks)
· (Checks payable to or referencing trusts)
· (Checks payable to or referencing Scholarships)

6.7 Cash and Check Payments

6.7.1 The university agrees to instruct its customers not to send cash. Any cash received by the service provider will be processed as an exception item. This means that the monies shall be included in the daily deposit activity report received the following day and indicated as cash, as well as, being identified on the daily processing transmission.

6.7.2 The university does not require payment to be of specified amounts. Partial payments are acceptable, as well as, over payments whether or not the amount due on the remittance coupon agrees with the received amount of monies through the lockbox.

6.8 Processor will process payments in the form of personal check, money order, traveler's checks, cashier's check and cash on the day of receipt.

6.9 Processor must keep and store an image/facsimile of all checks processed through the Lockbox.

6.10 Go-Backs: Processor will sort mail for processing and separate "go-backs" as defined below:

6.10.1 Payments received without the scannable remittance form. These contents are to be left in their envelopes and returned to the appropriate campus bursar office (as pre-determined by the P.O. Box to which it was delivered) unprocessed, as go-backs the same-day for receipt within 24 hours.

6.10.2 A remittance document with the letter "R" in the "no check accept field" of the scan line. The processor will program the scanner to include the ability to read for the presence of a "no check accept" field from the scan-line. "A" in the first far-left character represents acceptance of all forms of payment. An "R" indicates a reject. For accounts with this notation of "R", payments by personal check are rejected and will be returned as "go-backs" to the appropriate campus bursar office the same-day for receipt within 24 hours.

6.10.3 Improper payee listed. The processor will sort out any payments that include checks that are payable to the student, co-payable to the student and Indiana University, or that include the words "Scholarship" or "Trust" in the body of the check. These will be returned as "go-backs" to the appropriate campus bursar office same-day for receipt within 24 hours.

6.10.4 Foreign Currency - Instruments drawn in foreign currency or on a bank located outside the United States will be handled as Go-backs and must be sent to the appropriate campus Bursar Office for foreign collections routing.

6.10.5 Credit Card Payments - All credit card payments shall be returned to the university as "go-backs". The university shall be responsible for processing all credit card payments

6.10.6 The following items shall be considered as "Go-Backs" and returned to the university:

- Remittance forms "without" payment
- Payments without remittance forms
- Single checks with multiple remittance forms
    - Sponsor certificates/authorizations
      Scholarship checks, their remittance form, and any other correspondence
    - Payment by personal check on accounts requiring guaranteed funds (those documents with "R" in first position of scan line)
    - Credit card payments
    - Post dated checks, if denoted in opening process
    - Foreign checks (any check that may not be processed through the United States Federal Reserve System)

6.11 Go-back materials should be placed back in their original envelopes and returned to the appropriate campus bursar office for handling. Envelopes are to be kept in the same order of items opened and rubber-banded to the back of each bundle. Envelopes and processed work

with be returned to the university along with all other documentation to the appropriate campus bursar office same-day for receipt within 24 hours.

6.12 Correspondence and Other Materials to be returned

6.12.1 The processor will mark any correspondence received with payments through the lockbox operation with the student name and account number and return them to the appropriate campus bursar office same-day for receipt within 24 hours and process the payment and the remittance form.

6.12.2 The presence of any writing on the document is extremely important to acknowledge and will require these remittance advices to be processed in a separately designated batch. These remittance forms and envelopes should then be returned to the appropriate campus bursar office. One example to express the importance of returning documents containing notations can be explained through the designation by some students that they request the termination of their enrollments.

6.13 Reports: The processor will provide at a minimum, the following hard-copy report(s) the day following the transmission:

6.13.1 Summary listings of total dollars and total transaction count transmitted by batch, as well as, listing the grand total of the deposit.

6.13.2 Complete listing of all individual payments processed including the following information: batch label, sequence number, student account number, and payment amount.

6.13.3 The university will provide the processor with a contact person and information as to where the report should be received.

6.14 Additional Processing Instructions:

6.14.1 The processor will denote in a legible imprinted format on the back of each remittance advice and check, the following information:

· The campus for which the payment was processed and the student account number (taken from the document's scan line) or the entire scan line.
· The amount of the payment.
· The number of the batch within which it was processed.
· The date of the processing.

6.14.2 All returned (N.S.F.) checks will be supplied with an individual debit memo and be returned to the appropriate campus bursar office based on the assigned campus location coding printed on the back of the check (P.O. Box number).

6.14.3 All deposit adjustments including foreign exchange adjustments will be returned to the appropriate campus bursar office based on the assigned campus location coding printed on the back of the check.

6.14.5 The processor will make available back and front imaged copies of checks for research, as requested by the campus bursar office, within two working days of the date of request.

Section G. CAMPUS CONTACTS

7.1 The campus contacts for each of the PO Box numbers issued (for go-backs and other documents to be received) are listed below:

South Bend Campus
Linda Lucas
PO Box 7111
South Bend, IN 46634-7111
Phone: 219-237-4489
Fax: 219-237-4599
Email: llucas@iusb.edu
Campus add: Admin 101-A

Kokomo Campus
Marvagene Cummings mcummin@iuk.edu
Arlene Buell abuell@iuk.edu
2300 S. Washington
PO Box 9003
Kokomo, IN 46904-9003
phone: 765-455-9352
Fax: 765-455-9537

Northwest Campus
Marianne Milich
Bursar
Hawthorn 102
3400 Broadway
Gary, IN 46408
219-980-6618
FAX 219-981-4246
mmilich@iun.edu

Bloomington Campus
Donna Falk
Franklin Hall 013
Bloomington, IN 47405-2801
812 855-3338

Fax 812 855-7535
dfalk@indiana.edu

Indianapolis Campus
Larry Gaston
IUPUI Office of the Bursar
425 Univ. Blvd CA147
Indianapolis IN 46202-5142
PHONE: 317/274-3649
FAX: 317/278-1579
EMAIL: LGASTON@IUPUI.EDU

Section H. PROCESSING EQUIPMENT
8.1 What type of lockbox processing equipment do you use?

8.2 What are its capabilities? How old is your equipment?

8.3 When was this equipment installed (how new is this equipment)?

8.4 What are your plans for keeping this equipment up to industry standards?

8.5 When was it last serviced?

8.6 How often does it break down or need maintenance?

8.7 What is your notification mechanism when a situation such as this arises?

Section I. DATA TRANSMISSION
9.1 The processor will transmit one file for all daily payment records to Indiana University on a daily basis. The transmission detail will identify all batches associated with each P.O. Box assigned to Indiana University for retail tuition lockbox services. The desirable time for the transmission window is 13:00-15:00. Details and specifications for the transmissions format, header, and detail records will be made available through the University Information & Technology Services Department.

9.2 Current processing:

Currently, the financial institution processing our lockbox payments uses a remote dialup (via a modem connection) to transmit a lockbox file to an internal reader (RJE) on the Indiana University mainframe. Once the file has been received, it triggers jobs that will unload and process the lockbox records.

One file is transmitted on a daily basis for all daily payment records to the University. The transmission detail identifies all batches associated with each P.O. Box assigned to Indiana University for retail tuition lockbox services. The file is sent Monday through Friday between 1:00pm - 3:00pm (EST).

For each of the file transmissions, Indiana University edits, reformats and creates a confirmation e-mail message (internal only). If data on the file transmission is bad (doesn't pass edit checks), the entire transmission is rejected. The processor is notified immediately via e-mail or phone to re-transmit the entire file with the corrected data.

9.3 Future processing:

Indiana University would like to move away from using dialup connections or bi-sync/mainframe solutions for getting data to and from the banks. In certain applications, we have already moved to a process that uses secure Internet protocols to transmit data to banks. This is the model we plan to adopt for all bank transmissions in the future.

9.3.1 Bank requirements for future Lockbox transmissions

· Bank must be able to transmit data to and from Indiana University as is currently done via a dial-up modem connection.
· Bank must also be able to transmit data to and from Indiana University via secure Internet protocols.
· Data transmissions (to and from) Indiana University must be encrypted and have an encryption key of 1024 bits (at minimum). Utilizing a software package that uses the standard PGP protocol will suffice in meeting this requirement.
· Industry standards must be followed in protecting Indiana University data once it is received at the bank.
· The bank must send a confirmation data file containing information such as file type, record count, dollar totals, time sent, etc. Indiana University will use this information as way to confirm that the entire file was transmitted successfully.

· The bank must have the ability to send an e-mail confirmation of receipt of files to and from Indiana University.

· A testing environment must be available at the bank for Indiana University to test new transmissions or for use when hardware/software changes are being implemented.

· A primary and secondary technical contact must be identified at the bank as a contact for cases where a transmission is missed or incorrect.

· An escalation procedure must be in place at the bank in the event that problems occur and primary and secondary contacts are unreachable or problems are not resolved in a timely fashion.

9.4 The processor will notify University Information & Technology Services immediately upon receiving a transmission error message. The dollar total and transaction count associated with

that transmission should be included in the notification. A technical contact name and phone number will be provided to the processor, by the university at a later date.

9.5 The processor will maintain electronic back-up copies of each transmission for emergency use. These copies shall be maintained for five days following the original transmission date.

Section J. DELIVERY METHOD/COURIER

10.1 Processor will provide courier service or overnight mail service, daily to and from each campus for the following items:

· delivery of go-backs and correspondence.
· delivery of the previous day's remittance forms and envelopes (both maintained in batch order).
· delivery of daily transmission reports.
· The courier, if provided, will also pick up payments from the campus bursar office as needed and deliver them to the Processing Center (within 24 hours of pickup) for processing.

Section K. DEPOSIT REQUIREMENTS

11.1 The university requires one depository bank account for all lockbox receivables. If the university already has an established bank account with respondent all lockbox receivables will be deposited into an existing bank account and shall be denoted by a location number assigned to each deposit ticket. The location number shall be the P.O. Box number assigned to the lockbox. The deposit ticket shall be returned to the appropriate campus the following day.

Section L. COMPENSATION

12.1 Please enter all costs associated with this service within ATTACHMENT A. Please include any additional fees not itemized on ATTACHMENT A.

Section M. QUALITY CONTROL AND CUSTOMER SERVICE

13.1 Indiana University is looking for a partner who is committed to accuracy in processing and willing to stand behind this commitment. Processing errors can result in penalties being assessed to the student or refund of monies that they are not entitled. Depending on the severity of the problem or error, we may want the bank to acknowledge responsibility in a mailing to the students.

13.2 Does your institution have a formal quality improvement program in place? If so, please describe. Please list your institution's Error rates as listed below:

13.2.1 Item Processing Error Rate
13.2.2 Deposit Error Rate
13.2.3 Procedural Error Rate
13.2.4 Distribution Error Rate
13.2.5 Deposit Reporting Error Rate
13.2.6 Failed/Late Deposit Reporting Rate

13.2.7 Detail Reporting Error Rate
13.2.8 Failed/Late Detail Reporting Rate

13.3 Does your institution monitor other performance indicators? If so, what other key performance measures do you track? What is the reporting frequency and period covered for each measure?

Section N. SERVICES PROVIDED

14.1 Please list your institution's schedule for post office pickups of mail for weekdays, weekends and holidays. Does the institution have a unique five-digit zip code assigned exclusively for receipt of lockbox items? If you do have a unique zip code, is it included in the post office's first sorting pass?

14.2 Please provide a copy of the current Phoenix-Hecht Lockbox Evaluator's time of Day By Receipt Data Analysis of Arrivals for the bank. Also, provide the latest Phoenix-Hecht Postal Survey reflecting the bank's current smoothed total float averages for all Phoenix-Hecht mailing locations nationwide.

14.3 Please list the cut off time for same-day deposits and credits, as well as, returns.

14.4 Please detail all lockbox imaging capabilities and associated pricing structure offered by your institution. Internet capabilities are preferred, however we would like details on all services offered, including Internet, software, CD ROM and any other options.

Section O. CHECK PROCESSING AND FUNDS AVAILABILITY

15.1 Which department encodes checks processed by lockbox? Do you stand behind (financially) encoding errors made by employees that cause a financial loss to your customers?

15.2 Please describe how your institution will compute the availability that is passed to this proposed lockbox service (e.g., by item, fractional availability, float factor, or other). Which department is responsible for the assignment of availability? Please include your institution's availability schedule (include a separate weekend schedule, if applicable). If this schedule does not pertain to checks of all dollar sizes, explain in detail.

15.3 Can your institution provide an availability endpoint analysis for lockbox items/deposits? If yes, how frequently is this analysis performed, and is there a charge for this service?

Section P. FINANCIAL INSTITUTION PROFILE

16.1 List names, titles, telephone and fax numbers, e-mail address, and brief biographies of bank contact personnel.

16.2 Please indicate if one primary customer service contact will be assigned to our account. If so, please list their credentials, as customer service is a very important aspect of this proposal.

16.3 How many employees does the bank have in key areas providing the service?

16.4 Please describe the institution's devotion to lockbox processing and the amount of annual funds budgeted to keeping this service. How long has your bank offered lockbox processing services? Please indicate the processing location (Address, City, State) in which our remittance documents will be processed. Provide the reporting structure of your lockbox operation.

16.4.1 What differentiates your service from other providers?

16.4.2 How do you plan to keep this product current and competitive?

16.4.3 What approach is the bank taking in the development of new services?

16.4.4 What new services or features does the bank plan to offer, and within what time frame?

16.4.5 Discuss your institutions plan to address changes in the banking system which may impact processing, e.g. interstate banking.

16.5 Describe the different systems and methods by which the bank makes deposit and balance reporting information available. Do you offer information reporting via the Internet? If so, please list in detail, the level of detail available to your customers via the Internet. Do you have other Internet products and services in development?

16.6 For a given day, at what time of day can you report the total amount that will be credited to your account? Do you have real-time balance reporting for this information as well? Does your institution's reporting system have the capability to provide same-day float information for lockbox deposits? If yes, at what time(s) is it available?

16.7 Indiana University prefers to receive all balance information reporting details via the Internet. Do you also have available the end-of-month account analysis detail and/or bank statements via the Internet? Can you institution electronically transmit account statements and account analysis via BAI format?

16.8 Please provide a copy of all agreements that will be required to initiate lockbox service. Provide a detailed description of the implementation process, including testing, and a sample implementation schedule.

16.9 What is the average lead-time for implementation? What are the critical factors, which may impact that lead-time? Please describe support provided during implementation, including training, technical assistance, user manuals and on-site visits. Does your institution assign an implementation team?

16.10 Please provide names and phone numbers of three references, preferably within higher education or with comparable volumes, which are currently using the service requested in this RFP. Select a mix of long-standing and recent customers.

16.11 Please provide any additional information, which you believe to be relevant to this RFP and your capabilities to provide the services requested, e.g., product brochures, and articles in trade journals.

Section Q. REQUIREMENTS FOR CONDUCTING BUSINESS WITH INDIANA UNIVERSITY

17.1 The laws of the State of Indiana shall govern the interpretation and performance of any agreement. Any claims, demands, or action brought to enforce any provision of or otherwise related to this agreement shall be brought in the appropriate courts of the State of Indiana.

17.2 The University will not enter into any contract or affix signatures to any document the terms of which require the University to waive conditions or requirements negotiated, provided for in this document, our purchase order, or by mutual consent. Any document containing a clause or clauses that purport to supersede all other documents attached to this transaction will be rejected.

17.3 You are to furnish copies of all contractual documents that could become a part of an agreement/contract arising from this RFP process. A legal review of your contractual demands in view of what is acceptable to the University as a State entity will be part of the criteria in evaluating your offer.

17.4 Notwithstanding any other provision of this RFP, the University expressly reserves the right to:

17.4.1 Waive, or decline to waive, any insignificant defect or informality in any proposal or proposal procedures;

17.4.2 Reject any or all proposals or offers in whole or in part;

17.4.3 Accept any proposal or any part thereof;

17.4.4 Reissue a request for proposals;

17.4.5 Negotiate with any or all the Proposers responding to this RFP for the purpose of obtaining best and final offers;

17.4.6 Make a whole award, multiple awards, a partial award, or no award at all.

17.5 You must document any intent to use another entity(ies) or private individual(s) as a subcontractor(s) for any part or whole of the services you offer in response to this RFP. The University reserves the right to approve or reject any such proposed subcontractor or reject your

proposal in its entirety based on the proposed use of subcontracted work if determined not to be in the best interest of the University.

17.6 Any contract with you resulting from this RFP process shall contain, expressly or by reference to this RFP, the following provisions:

17.6.1 No right or obligation shall be transferred or assigned to any other entity or individual without the prior written permission of the University. Any attempted assignment of delegation shall be wholly void and totally ineffective for all purposes of satisfying the terms and conditions of this transaction.

17.6.2 You shall indemnify the University, the State of Indiana, and the agents and employees of either, against damages, losses, and expenses (including reasonable attorney's fees and expenses) incurred in connection with, or in any way, incident to or arising out of the occupancy, use, service, operations, or performance of work arising from your response to this RFP and any resulting contract, except for matters caused solely by the University's negligence.

17.6.3 While on University premises, you, and your employees and agents, shall abide by and comply with all Indiana University, federal, state and local policies, regulations, and laws that pertain to sexual harassment and nondiscrimination. This shall include taking proactive action to ensure that applicants, employees, and customers are treated fairly during employment without regard to, or in discrimination of, their race, religion, sex, national origin, marital status, age, sexual orientation, veteran status, or disability. While on University premises, you, and your employees and agents, shall comply with and observe all applicable rules and regulations concerning conduct on the premises of University that are imposed upon the University's employees and agents.

17.7 The University may cancel the contract for cause and without penalty under the following conditions:

17.7.1 Breach of contract, including but not limited to failure to meet delivery dates and response times noted in this RFP or otherwise furnish goods and services required by any agreement arising from this RFP.

17.7.2 Prior to terminating the contract for breach, University shall notify you in writing of breach and demand that the same be remedied and within (10) days. If you fail to remedy, or make substantial steps toward remedying the breach, the University will terminate this agreement as of the end of the 10-day period.

17.7.3 Where the contract was obtained by fraud, collusion, conspiracy, or any other unlawful means; or

17.7.4 Where gratuities, in the form of entertainment, gifts or otherwise, were offered or given by the you, your agent or representative where such gratuities were given to any officer or employee of Indiana University with a view toward securing favorable treatment, with respect to the awarding or amending, or making any determinations with respect to performing of such

contract. In the event that a contract is canceled by the University pursuant to this provision, the University shall be entitled then, in addition to other rights and avenues, to recover or withhold the amount of the gratuities.

17.7.5 Upon termination for cause, University shall have no further financial obligation to you other than for monies already due and owing at the time of the termination.

17.8 The University may terminate a contract without cause and without penalty upon 30 days written notice, and shall have no further financial obligation to you other than for monies already due and owing at the time of the termination.

17.9 Proposals responding to this Request shall not be tied to any potential or future arrangements.

17.10You will not be compensated for proposal preparation expenses.

17.11 Your response to this RFP constitutes an offer to do business with Indiana University on (at a minimum) the terms, conditions and pricing stated in the proposal. In the event a contract is awarded, the University, at its option, may incorporate all or parts of your response in that contract. Any or all answers and information contained within your proposal shall become part of the final agreement between you and the University.

End of RFP

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Appendix:

Lockbox Volumes 2001

	Total Sum Annual Volume	Unit Price	Total Sum Fees	May-00	Apr-00	Mar-00	Feb-00	Jan-00	Dec-99	Nov-99	Oct-99	Sep-99	Aug-99	Jul-99	Jun-99
FDIC Assessment														14,562	
Account Maintenance	24			2	2	2	2	2	2	2	2	2	2	2	2
Photocopies	1			0	0	0	0	0	0	0	1	0	0	0	0
ZBA Maintenance	24			2	2	2	2	2	2	2	2	2	2	2	2
Credits Posted	861			63	59	63	66	81	83	80	82	78	75	69	62
Dep Return-Items	158			10	8	12	17	14	20	10	12	14	25	4	12

Returned															
Dep Return-Duplicate Advise	312			10	8	12	17	31	56	25	38	38	62	15	0
Dep Return-Redeposit Reclear	383			25	20	29	35	31	52	16	34	40	53	28	20
Dep Cks On-Us	16,926			1,199	1,266	1,656	1,739	1,428	1,776	956	1,714	1,540	1,408	1,574	670
Dep Cks Clearinghouse	11,368			761	861	938	997	935	1,175	665	967	869	964	1,021	1,215
Dep Cks Local City	11,109			717	901	864	939	1,022	1,128	628	857	1,239	873	1,362	579
Dep Cks Local RCPC	33,379			2,306	2,211	3,116	3,435	2,487	3,622	2,037	3,447	2,739	3,104	2,751	2,124
Dep Cks Other 7th District	15,552			1,290	1,104	1,677	1,693	1,321	1,585	841	1,309	1,222	1,915	857	738
Dep Cks Out of District	30,350			1,873	1,879	2,877	2,932	2,308	3,415	1,970	3,018	2,327	3,811	1,730	2,210
WLB Maintenance	13			1	1	1	1	1	1	1	2	1	1	1	1
LRLB Maintenance	24			2	2	2	2	2	2	2	2	2	2	2	2
LRLB Lockbox Payments	118,709			8,086	8,190	11,215	11,678	9,579	12,590	7,028	11,197	9,831	14,267	9,449	5,599
WLB Unprocessables	40			8	2	2	10	3	1	1	2	5	5	1	0
LRLB Correspondence	9,143			494	465	599	763	740	990	469	762	978	1,873	605	405
LRLB Additional Sorts	118,709			8,086	8,190	11,215	11,678	9,579	12,590	7,028	11,197	9,831	14,267	9,449	5,599
LRLB Bank Courier	18			1	1	1	1	0	2	2	2	2	2	2	2
LRLB Transmission	24			2	2	2	2	2	2	2	2	2	2	2	2
LRLB Transmission Items	102,844			6,715	6,932	10,877	10,589	7,898	10,119	6,725	10,729	7,548	13,195	5,622	5,895
WLB Item With Photocopy	1,081			60	41	26	61	121	114	71	84	106	236	109	52

WLB Postage	4			0	0	0	0	0	0	0	4	0	0	0	0
WLB Special Sorting	1,077			60	41	26	61	121	114	71	80	106	236	109	52
WLB Attach Documents (Staple)	8			0	0	0	0	0	0	0	8	0	0	0	0
LRLB Cash Processing	14			0	4	3	4	2	1	0	0	0	0	0	0
WLB Cash Processing	9			0	0	0	0	0	0	0	5	0	4	0	0
Debits Posted	509			46	40	45	41	40	44	40	41	42	40	37	53
EDI 822 Maintenance-Rel	12			1	1	1	1	1	1	1	1	1	1	1	1
EDI 822 Maintenance - Acct	12			1	1	1	1	1	1	1	1	1	1	1	1
TOCPC Prev Day Maintenance	7			0	0	0	0	0	1	1	1	1	1	1	1
TOCPC Prev Day Account	18			0	0	0	0	0	3	3	3	3	3	3	0
TOCPC Prev Day Items	4,488			0	0	0	0	0	634	571	712	983	869	719	0