

AUG 21 2007

STANDARD BLUEBACK CONTRACT
COMMONWEALTH OF PENNSYLVANIA
STATE SYSTEM OF HIGHER EDUCATION
CONTRACT FOR
BANKING SERVICES

Contract Inquiry No. CAL 06-06

THIS AGREEMENT, made and entered into this 24th day of April, between California University of Pennsylvania of the State System of Higher Education (address), (hereinafter "University," "Commonwealth," or "Agency"),

and

The Pennsylvania State Employees Credit Union at 1 Credit Union Place, Harrisburg, PA 17110, acting through its proper officials, (hereinafter referred to as "PSECU" or "Contractor"), Federal ID# 23-0961140.

Both the University and Contractor, when used together, are hereinafter referred to as Parties. The University is an instrumentality of the Commonwealth of Pennsylvania, established by and existing pursuant to Article XX-A of the Public School Code of 1949, as amended, 24 P.S. § 20-2001-A, et seq., and is authorized thereby to enter into this Contract.

The University desires to obtain banking services from the Contractor.

NOW THEREFORE, for and in consideration of the foregoing and the mutual promises hereinafter expressed and intending to be legally bound hereby, the Parties agree as follows:

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1. CONTRACTOR DUTIES. The Contractor, subject to the terms and conditions set forth below, shall provide banking services to students, faculty and staff members as described in the PSECU proposal included as the following 60 pages. The following changes to the response will be made part of this contract:

- a. In reference to section 7.3, page 32, format may be changed upon mutual agreement.
- b. Add the following to section A, page 34 "The ATM in Natali Student Center will be replaced with an updated, more modern ATM that will offer all of the functionality of the current machine."
- c. In reference to section 8.2, page 36, second paragraph, remove "if the accounts are opened at the on-campus Center" Date 6-8-07

In reference to section 11, page 65, Contractor (PSECU) shall have the same rights to terminate the Contract as are provided to the Commonwealth, specifically the rights of termination listed in section 11(a) and (c). Date 4-8-07

- d. In reference to the third bullet under Revenue sharing and financial incentives to the University, page 59, add "Scholarship money may be awarded yearly or endowed at the discretion of the University."
- e. In reference to the last bullet of section A, page 61, replace "Orientation" with "Administrative Program Support".
- f. In reference to the second bullet of section B, page 61, replace "football program" with "corporate team".
- g. ~~Add the following to the fourth bullet on page 59, "All new accounts established by California University of Pennsylvania students, staff, faculty, and alumni with PSECU are subject to the incentive schedule regardless of method of account creation."~~ GS DA Date 6-8-07
- h. At the bottom of page 59, replace "This is based on a \$0.15 per withdrawal transaction fee." with "This is based on fees of \$0.15 (members) and \$0.65 (non-members) for each deposit or withdrawal transaction at each ATM in each calendar month (or partial month to be prorated).
- i. Addition of Alumni incentive schedule included as page 60.
- j. Confidentiality. Notwithstanding anything in the Contract to the contrary, Commonwealth acknowledges that Contractor (PSECU) is a highly regulated financial institution under a strict duty of confidentiality with regard to its member records, "Confidential Member Information". This Information shall specifically include all account numbers, access codes, account ownership and names of account owners, and other non-public member information. Commonwealth agrees not to sell, transfer or share with any third party any such Confidential Member Information which it receives in the ordinary course of conducting business with Contractor, or otherwise, unless it receives prior written approval from Contractor of exactly what Information may be shared. Any such Information received by Commonwealth shall be used only for the stated purpose for which it was originally requested. All rights and responsibilities regarding Confidential Member Information as herein stated shall survive any termination of this Contract. GS DA Date 6-8-07
- k. Security Breach Notice. Commonwealth agrees to fully disclose any breach in its security system that directly impacts the Confidential Member Information of Contractor (PSECU). Commonwealth agrees to notify Contractor as soon as practicable about the nature of any such breach, the date and time of such breach, the effect of the breach on Confidential Member Information, if known, and any corrective actions Commonwealth will be taking in response to the breach. GS DA Date 6-8-07

6-13-07

California University of Pennsylvania
Banking Services – Request for Proposal (RFP) – CAL 06-06

1.0 GENERAL INFORMATION

1.1 Purpose

The purpose of this Request for Proposal (RFP) is to solicit proposals from qualified vendors for a financial partner to provide debit card services to tie in with California University's identification card system for a period of five (5) years.

1.2 Scope

This document contains instructions governing the proposal to be submitted by interested Responders (any persons who submit a proposal in response to this RFP), the form in which proposals are to be submitted, the materials to be included therein, a description of the services to be provided, requirements which must be met to be eligible for consideration, general evaluation criteria, and other functional, technical, and contractual requirements which the Responder must meet to be eligible for consideration.

1.3 Issuing Office

Purchasing Office
California University of Pennsylvania
250 University Avenue
California, PA 15419

1.4 Issue Date

This Request for Proposal is being issued on January 22, 2007.

1.5 Follow-up Inquiry Deadline

Any questions concerning the RFP should be submitted to the issuing office in writing via fax at 724-938-4512 by noon on February 5, 2007. The purpose of the follow-up inquiry period is to clarify the RFP package, University requirements, and answer questions vendors may have. All questions and responses will be mailed to individuals receiving the initial RFP.

1.6 Closing Date

To be considered, proposals must arrive in the issuing office on or before March 2, 2007 at 2:00 pm. Therefore, Responders should pay particular attention to ensure that the proposal is properly addressed. California University of Pennsylvania is not responsible if the proposal is not delivered to the proper address. If the response is mailed, the Responder takes the risk that it may not arrive prior to the due date and time. Responses may be hand delivered to California University of Pennsylvania and the Issuing Office to ensure that they are received on time.

1.7 Proposal Submission

Proposals should be prepared simply and economically, providing a straightforward, concise description of the consultant's ability to meet the requirements of the RFP.

Electronic submissions and faxed submissions are not acceptable. The Responder's original proposal submitted in response to the RFP and signed by the Responder's contractually binding authority with 8 additional copies must be received by California University of Pennsylvania no later than the Closing Date. Proposal material should be addressed as follows:

Joyce Sheppick, Purchasing Agent
California University of Pa
Dixon Hall, Room LL-09
250 University Avenue
California, PA 15419

1.8 Signature

Proposals, bids, and all addenda must be signed in ink. The person signing must be authorized by the Responder to do so. Facsimile or typewritten signatures are not acceptable. The person signing must type his /her name and title below the signature, and if requested, must verify his authority to bind the company in contract.

1.9 Cancellation of or Amendment to RFP

California University of Pennsylvania may cancel or withdraw a Request for Proposal in whole or in part at any time prior to award of a contract. Amendments may be made by the issuance of an addendum by the Issuing Office prior to the closing date and time for the response. In the event that it becomes necessary to revise this RFP, an addendum will be provided to all vendors on record of having received the original RFP.

1.10 Amendment or Withdrawal of Proposals

A proposal may be amended and / or withdrawn by a Responder if the Issuing Office receives such request in writing before the closing date and time. The request must be signed by a person authorized to represent the Responder that submitted the proposal. Submission of a subsequent proposal shall normally constitute the withdrawal of any prior proposal submitted by the same Responder.

1.11 Late Proposals and Modifications

Proposals will not be accepted after the Closing Date and time. Responders may use any means of delivery, but it is the responsibility of the Responder to allow adequate time for delivery. Proposals received after the Closing date and time will be returned unopened.

1.12 Contractual Obligations

It is the intent of the University to enter into a contract with a Financial Institution to provide banking services for the California University identification card. The type of contract entered into will be a standard Pennsylvania State System of Higher Education Blueback Contract and will contain the standard provisions shown in the standard contract form as exhibited in Appendix A. This RFP, addenda, other agreed upon modifications, and the proposal submitted by the successful Vendor shall be incorporated into the contractor agreements signed by the successful Responder, California University of Pennsylvania, and the State System Legal Representative.

1.13 Rejection of Proposals

The University reserves the right to reject any and all proposal received as a result of this request, or to negotiate separately with competing contractors.

1.14 Oral Presentations

At the conclusion of the initial evaluation phase, it is anticipated that a number of proposals will be slated for detailed review and evaluation. At no cost to the University, as part of this detailed review of proposals, selected financial institution(s) may be required to make an oral presentation of their proposal to the University. The oral presentation provides an opportunity for Responders to clarify the proposals through mutual understanding. The University may award the contract, or determine finalist consultants without benefit of an oral presentation.

1.15 Evaluation Criteria

The Committee using the following criteria, the order of which is not indicative of their weight or importance, will evaluate proposals:

- a) Responder's understanding of the work to be accomplished.
- b) Responder's qualifications and financial ability to perform the assignment.
- c) The qualifications and experience of the individuals assigned to the project.
- d) The references from clients where similar work was completed.
- e) The quality of the proposal following the guideline of Section 2.
- f) Type and depth of service offerings provided by Responder.
- g) Financial benefit to the University.

1.16 Evaluation Process

The proposal evaluation process involves, first, the review by the evaluation Committee of all proposals received in response to the RFP to ensure that each proposal meets the mandatory requirements as outlined in Section 2. Proposals, which have been determined by the committee to have not met the mandatory requirements, are excluded from any further consideration. The selected proposals will then be further reviewed by the Committee which will determine the financial institution which best fits the University's needs.

Negotiations will be undertaken with the financial institution whose proposal shows that they are qualified, responsible, and capable of performing the work.

1.17 Proposal Costs

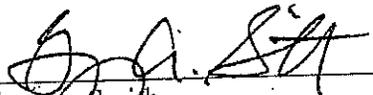
The University is not liable for any costs incurred by respondents prior to the issuance of a contract.

1.18 Proprietary Information

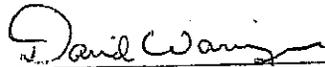
Proposals will be held in confidence and, except for the selected proposal, will not be revealed or discussed with competitors. All material submitted becomes the property of the University and may be returned only at the University's option. Proposals submitted may be reviewed and evaluated by any persons at the discretion of the University.

Pricing aspects of the proposals are not considered proprietary information and may be disclosed at the University's option. The University has the right to use any or all ideas presented in the proposal. Selection or rejection of the proposal does not affect this right.

Proposal for
BANKING SERVICES
for
CALIFORNIA UNIVERSITY
Cal 06-06



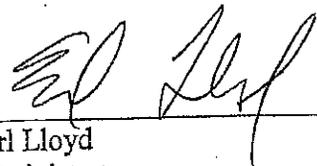
Gregory Smith
President
CEO
PSECU



David Warwavesyn
Vice President
Member Services
PSECU



Thomas Ruback
Vice President
Card Services
PSECU



Earl Lloyd
Administrator
University Development
PSECU

SECTION 2

INFORMATION REQUIRED FROM RESPONDERS

The Responders' proposal must be submitted in the format outlined below. To be considered, the proposal must respond to all requirements in this part of the RFP. The Responder should provide any other information thought to be relevant, but not applicable to the enumerated categories. This information should be provided as an appendix to the Responders' proposal.

2.1 Letter of Transmittal

The letter of transmittal should include an introduction of the Responders' company, the name, address and telephone number of the person to be contacted, along with others who are authorized to represent the Contractor in dealing with this RFP. The letter should also include an expression of the Responder's understanding of the services desired and its ability to meet the requirements of this RFP.

PSECU Response – Letter of Transmittal

The Pennsylvania State Employees Credit Union (PSECU) is a not for profit financial institution that's been in business since 1933. PSECU's main office is located at 1 Credit Union Place, Harrisburg, PA 17110. We are currently the largest credit union in Pennsylvania (over \$2.5 billion in assets) and serve over 325,000 members throughout Pennsylvania, nationally and internationally. We are also one of the largest credit unions in the United States.

In 1977, PSECU held \$7 million in assets and had 24,000 members. At that time the new General Manager and the Board of Directors enacted a vision to use technology to the fullest extent possible to create an operation beyond the old branch style that would provide financial services to its members, anytime from anywhere. That vision continues today and is reflected in PSECU's mission statement.

“To continually strive to maintain a progressive and financially stable credit union that gives PSECU members control over their finances.

To provide members with a variety of high quality traditional and innovative financial products and services, which are convenient, reasonably priced and available through self-service delivery channels.

To treat members with courtesy and handle their requests in a reliable and efficient manner.”

PSECU strives to meet its mission by investing in emerging technologies to deliver self-directed electronic services that are convenient and of the highest quality, but even more importantly, by educating our members to use those services as a means to control expenses.

For the last thirty years PSECU has used technology to improve operating effectiveness, accommodate future growth and reduce expenses while providing the highest quality service. PSECU has a proven track record for implementing quality self-directed electronic services that have been accepted by its membership. The Credit Union also has a proven track record both at California and several SSHE universities to meet the requirements of this RFP and would like the opportunity to continue to provide our services to California University.

Five years ago, PSECU opened the e-Center on the campus of California University to serve students, faculty and staff of the university community. We propose to continue to operate this location, therefore the number of geographical miles of the office providing the services outlined in this proposal is 0.

PSECU has and will continue to commit a team of quality personnel to assist the University in achieving its objectives. The individuals named below may be contacted toll-free at (800) 237-7328 and entering the extension or by e-mailing them directly.

*The mailing address for each individual is:
Pennsylvania State Employees Credit Union
1 Credit Union Place
Harrisburg, PA 17110*

*Federal ID Number: 23-0961140
Fax Number: 717-720-1264*

Primary Contacts at PSECU:

e-Centers

David Warwavesyn – Vice President of Member Services

- *Dave has led the development of, and is responsible for, the overall operation of the campus e-Center.*
- *Extension 6-2304*
- *e-mail: dwarwave@psecu.com*

ATMs

Thomas Ruback, CPA, CFSA – Vice President of Card Services

- *Tom is responsible for the ATM deployment and the ID card service.*
- *Extension 6-2290*
- *e-mail: truback@psecu.com*

Secondary Contacts at PSECU:

Richard Long – Vice President of Information Technology Services

- *Rick leads the technology support for the e-Center and the ID card.*
- *Extension 6-2270*
- *e-mail: rlong@psecu.com*

Barbara Bowker – Vice President of Marketing

- *Barb leads the marketing effort as it relates to PSECU.*
- *Extension 6-2303*
- *e-mail: bbowker@psecu.com*

Scott Rhoads, CPA – Vice President of Finance

- *Scott leads the ACH and accounting efforts as they relate to the ID card.*
- *Extension 6-2265*
- *e-mail: srhoads@psecu.com*

2.2 Executive Summary

The Responder should include an executive summary, which briefly describes the Responder's approach to the proposal and clearly indicates any options or alternatives. It should indicate any major requirements that cannot be met by the Responder. This summary should highlight the major features of the proposal and identify any supporting information considered pertinent. In short, the reader should be able to determine the essence of the proposal and generally how well it meets the requirements by reading the executive summary.

PSECU Response – Executive Summary

PSECU would like to thank California University of Pennsylvania for the opportunity to respond to their request for proposal to continue to provide ID card and financial services to the students, faculty and staff of the university community.

Our response is presented in the format requested by the University and uses the same numbering sequence outlined in Section 2 – Information Required. The University's inquiries are followed by our responses in bold and italicized font.

Major Features of the Proposal:

Included in this response is our proposal for a continued presence of a PSECU-managed/student-staffed Electronic Service Center (e-Center) on campus. Our approach to this service has succeeded in its goal to bring added value to the University and the students on both an educational and financial level.

Please refer to PSECU's cost proposal document (Attachment A) for the detail of our financial commitment.

PSECU will continue to provide the following:

- *Transfer the ISO number and the encryption keys to the next financial service provider if in five years the University elects not to renew the contract with PSECU*
- *Mutually establish procedures with the University to issue or replace campus ID cards with the added ATM debit feature*
- *Provide marketing support (printed material, personal presentations) to promote acceptance of the ID card by students, faculty and staff*
- *Work with the University to promote acceptance of the ID card in the merchant community*
- *Commit resources to not only market the benefit of the card to the users, but also to the departments providing services to the cardholders*
- *Continue to maintain and service a minimum of two ATMs (at no cost to the University) that connect to the major ATM networks. California and PSECU will mutually agree on the installation of additional machines, their location on campus and the service to be provided (full service depository or cash dispenser only)*
- *Support direct deposit of student paychecks and financial aid reimbursements to student checking accounts*
- *Make available to students, faculty and staff who elect to open PSECU accounts all the financial services currently offered to existing PSECU members*
- *Provide ATM debit service in accordance with Regulation E so that the University will have no liability for fraudulent use of ATM debit cards or overdrafts due to ATM transactions*

- Provide monthly statements via online account access (psecu@home®) and in a standard paper format to each cardholder with a PSECU account that will summarize detailed transaction activity at ATMs or with off-campus merchants participating in an established POS network
- Provide information technology support to interface systems and coordinate file transfers to maintain effective service to students, faculty and staff

Additional Commitments from PSECU:

- PSECU has 24 x 7 toll-free self-service access to deactivate lost/stolen ATM debit cards through audio response telephone
- PSECU will allow students, faculty and staff that are members of PSECU to view their ID card POS activity on campus via PSECU's online account access (psecu@home®) service

Requirements Not Met:

None. Currently, all students, faculty and staff of the SSHE Universities are eligible for membership in PSECU.

Conclusion:

The Pennsylvania State Employees Credit Union has been privileged through its Articles of Incorporation to serve the students, faculty and staff of California University under the State System of Higher Education since 1987. We would like to thank California University for considering us to continue to provide ID card and financial services to members of the University Community. We look forward to continue working with you in the near future.

2.3 Requirements

The Responder should describe in narrative form their ability and specific service offerings for accomplishing the requirements of this program. Use the descriptions in the Requirements Sections 5-10 of this RFP as your reference point.

PSECU Response – Requirements

The following is a list of services available to students, faculty and staff of California University who become PSECU members (as well as their immediate family members).

Checking

- No minimum balance to earn dividends
- No monthly service charge
- No check writing limit
- Free PSECU custom checks

Checking (continued)

- Free overdraft transfer service
- Free archiving of canceled checks
- Online cleared check images through our online account access (psecu@home®)
- Check search capability through our online account access (psecu@home®)

ATM/Check Card/ID card

- Over 1,600 CUS® surcharge free ATMs including PSECU on campus ATM's
- Rebate program on foreign ATM surcharges – up to \$4 a month
- Free ATM transactions – up to 15 transactions (withdrawals or deposits) per month
- No account maintenance fees
- Point of sale purchases at merchants displaying the STAR® or VISA® logos
- Welcome at merchants accepting VISA® debit cards
- Zero liability for lost or stolen cards

Additional Deposit Services

- Regular Shares
- Money Market
- Certificates
- IRAs
- Christmas/Vacation Shares
- Investment Services

Auto Loans

- New and used vehicle purchases
- Pre-approved auto drafts
- Online applications with 30 second responses
- Apply with Loan by Phone
- Low interest rates
- Terms from 24 to 84 months

Home Equity

- No application fee
- No closing costs
- No appraisal fee
- No credit report fee
- Competitive fixed or variable rate

Additional Loan Services

- Personal service loans
- Mortgages
- Convenient electronic debit for fast repayment with direct payment

www.psecu.com

- Online membership applications
- 30 second responses on loan applications
- Auto Buying center
- Financial Calculators
- CU\$® surcharge free ATM locator

Free Online Account Access (psecu@home®)

- 24 hour account access with online account access (psecu@home®)
- Free bill payer; pay up to 80 bills per account
- View account balances and transactions
- View monthly deposits, checks and statement images
- Reorder checks
- Transfer funds
- View your PSECU account and non-PSECU accounts in one place with AccountNET
- UPost@Home®, online deposit service
- Alerts for transactions done on accounts
- Easy, secure and safe

PSECU Pocket Teller

- Wireless internet banking
- View balances and transactions, transfer funds, pay bills

2.4 Prior Experience

The Responder should describe their experience in providing financial services to University Identification Card Programs. Include all current relationships with University Identification Card Programs. Provide a list of all accounts related to University programs lost or not renewed in the past three years. If the responder has prior experience providing financial services to University Identification Card program within the State System of Pennsylvania that should also be detailed.

PSECU Response – Prior Experience

PSECU has been a credit union industry leader in debit / point of sale (POS) card processing since 1982. In 1982 we introduced our first ATM card and since then our card base has increased significantly. Our members (244,505 cardholders) complete 1.7 million transactions a month using their PSECU cards. ATMs account for approximately 824,000 transactions a month and POS account for 889,000 a month. ATM and POS transaction activity is governed by Regulation E. PSECU is well versed in the

requirements of Regulation E that governs the ATM debit function of the ID card.

The regulatory requirements and our operating policies presented throughout this RFP are the same requirements that apply to PSECU's existing card programs. They will not impact the flexibility of the University program.

PSECU has implemented our educational e-Center programs on nine SSHE schools and one Community College as well as one private college to provide financial services on campus. PSECU has worked with five of the nine SSHE Universities to implement an e-Center with campus ID card and ATM debit service. The program began in May 2001 and as of January 31, 2007 over 12,000 student ID cards have been issued with ATM debit service.

Accounts lost or not renewed in the past three years: None

2.5 References

The Responder should provide at least three (3) references. References should be identified with the name of the customer shown, including the name, address, and telephone number of the responsible official of the customer, company, or agency who may be contacted.

PSECU Response – References

Millersville University (Two ATMs; ID/ATM - Card Program)

Amy Dmitzak

Assistant Vice President for University Advancement

PO Box 1002

Millersville, PA 17551

(717) 872-3586

Harrisburg Area Community College (One ATM)

George Franklin

Vice President of Finance

One HACC Drive

Harrisburg, PA 17110

(717) 780-2376

Lock Haven University (Two ATMs; ID/ATM - Card Program)

Dr. Linda D. Koch

Vice President for Student Affairs

311 Sullivan Hall

Lock Haven, PA 17745

(570) 893-2022

Kutztown University (Two ATMs; ID/ATM - Card Program)
James Sutherland
Vice President for Administration and Finance
219 Administration Building
Kutztown, PA 19530
(610) 683-4106

Bloomsburg University (Three ATMs; ID/ATM - Card Program)
James McCormack
Assistant Director for Administration and Technology
400 East Second Street
Bloomsburg, PA 17815
(570) 389-4166

Elizabethtown College (One ATM)
David Dentler
Vice President for Administration
One Alpha Drive
Elizabethtown, PA 17022
(717) 361-1524

2.6 Outline of Services to be Offered

The Responder is requested to outline the financial services packages (savings accounts, checking accounts, debit accounts, etc.) that would be offered to the University community in conjunction with the Identification Card.

PSECU Response – Outline of Services to be Offered

The following is a list of services available to students, faculty and staff of California University who become PSECU members (as well as their immediate family members).

Checking

- *No minimum balance to earn dividends*
- *No monthly service charge*
- *No check writing limit*
- *Free PSECU custom checks*
- *Free overdraft transfer service*
- *Free archiving of canceled checks*
- *Online cleared check images through our online account access (psecu@home®)*
- *Check search capability through our online account access (psecu@home®)*

ATM/Check Card/ID card

- *Over 1,600 CUS® surcharge free ATMs including PSECU on campus ATM's*
- *Rebate program on foreign ATM surcharges – up to \$4 a month*
- *Free ATM transactions – up to 15 transactions (withdrawals or deposits) per month*
- *No account maintenance fees*
- *Point of sale purchases at merchants displaying the STAR® or VISA® logos*
- *Welcome at merchants accepting VISA® debit cards*
- *Zero liability for lost or stolen cards*

Additional Deposit Services

- *Regular Shares*
- *Money Market*
- *Certificates*
- *IRAs*
- *Christmas/Vacation Shares*
- *Investment Services*

Auto Loans

- *New and used vehicle purchases*
- *Pre-approved auto drafts*
- *Online applications with 30 second responses*
- *Apply with Loan by Phone*
- *Low interest rates*
- *Terms from 24 to 84 months*

Home Equity

- *No application fee*
- *No closing costs*
- *No appraisal fee*
- *No credit report fee*
- *Competitive fixed or variable rate*

Additional Loan Services

- *Personal service loans*
- *Mortgages*
- *Convenient electronic debit for fast repayment with direct payment.*

www.psecu.com

- Online membership applications
- 30 second responses on loan applications
- Auto Buying center
- Financial Calculators
- CU\$® surcharge free ATM locator

Free Online Account Access (psecu@home®)

- 24 hour account access with online account access (psecu@home®)
- Free bill payer; pay up to 80 bills per account
- View account balances and transactions
- View monthly deposits, checks and statement images
- Reorder checks
- Transfer funds
- View your PSECU account and non-PSECU accounts in one place with AccountNET
- UPost@Home®, online deposit service
- Alerts for transactions done on accounts
- Easy, secure and safe

PSECU Pocket Teller

- Wireless internet banking
- View balances and transactions, transfer funds, pay bills

2.7 Cost Proposal

The Responder should indicate the related costs for undertaking this project. These costs would include the vendor's appropriate cost proposal, which is included in Section 8 – Revenues and Fees.

PSECU Response – Cost Proposal

There are no costs to the University for undertaking this project.

2.8 Additional Information

The Responder should include any additional information pertinent to their capabilities and experience in an attachment to their proposal.

PSECU Response – Additional Information

Enhancing the Educational and Extracurricular Environment of the University:

We encourage our members to use our value-added services by running various educational seminars and account promotions throughout the year. We also provide members a variety of financial tools to use on our website.

Educational Seminars

Many of our educational seminars have been developed specifically for our college age members. They include but are not limited to the following:

- Money Management 101
A detailed plan that educates students on the benefits of budgeting and living within your means and dangers of running up credit card debt.
- Checking Account Management educational program*
Account basics – from how to endorse a check, how to do a stop payment, how to reconcile an account; etc.
- College financing seminars
Exploring the various options open to students and parents in regard to student loans and financial aid.
- Car buying seminars
How to use the tools PSECU makes available to our member when they are in the market to purchase a new or used car. Perfect for the first time buyer.
- 10 steps to financial success*
From developing a spending plan, setting goals weighing insurance options, this seminar covers the core concepts necessary to develop and maintain personal financial control.
- CUSO Financial Services, L.P. retirement seminars
CUSO Financial Services, a subsidiary of PSECU, offers various seminars on planning for retirement. (Geared more to faculty and staff.)
- Solving the mystery of Credit Reports*
An overview of credit bureaus, credit scoring and the Fair Credit Reporting Act. It also includes guidance in dealing with identity theft and fraud.
- Getting out of debt*
After developing short, mid and long term goals, participants learn how to design realistic spending and savings plans.
- First time home buyer seminar*
A guide to those in the market for their first home includes setting realistic expectations and how to budget for this purchase.

*These seminars are part of PSECU's financial fitness training program and include a new credit counseling service for those members burdened with too much debt.

SECTION 3

CRITERIA FOR SELECTION

All proposals received from the Responders will be reviewed and evaluated by a committee of qualified personnel selected by the University. This committee will recommend for selection the proposal which most closely meets the requirements of the RFP and satisfies the University needs.

- 3.1 The Responder should demonstrate an understanding of the University's requirements by their approach to the proposal and the development of a thorough, effective plan to implement the proposed contract.
- 3.2 The Responder should indicate their ability to meet the terms of the RFP, as indicated in the scope of work detailed in Section 5 - 10. Requirements, time constraints and quality of service as indicated by the relevancy and recency of similar projects completed by the Responder will be evaluated.
- 3.3 The references and experience of the Responder will be evaluated by the University as detailed in Section 11.
- 3.4 The University will evaluate the quality of the service and methods of service delivery the vendor uses.
- 3.5 The University will consider the costs associated with the financial services offered to the campus community as part of its evaluation.

PSECU Response -Criteria for Selection

PSECU understands the University's selection Criteria.

SECTION 4

BACKGROUND/CURRENT ENVIRONMENT

California University of Pennsylvania, a member of the Pennsylvania State System of Higher Education, is a comprehensive four-year institution of liberal arts and sciences. As of September 2006, the University's enrollment was comprised of 6,299 undergraduate students and 1,421 graduate students for a total enrollment of 7,720 students. Additionally, the University employs 406 faculty members and 479 staff members. The university is located in the Borough of California, a community of approximately 6,000 residents. The main campus consists of 36 buildings situated on 90 acres.

California University of Pennsylvania wishes to provide its students, faculty, and staff with financial services via a banking feature on the identification card. We will accept proposals to address how our existing program can be improved and how the financial institution can assist our institution.

Currently, the CalCard includes the following functionality:

- Photo Identification
- Door access (in conjunction with the Blackboard Campus Wide System)
- Meal plans (in conjunction with the Blackboard Campus Wide System)
- On-campus declining balance account -- food services and general usage accounts
- Usage in photocopy machines
- Check out books in the Library
- Vending
- AAA
- Activity privilege verification for the Fitness Center and Athletic Events
- Laundry
- Bookstore purchases
- Transit services

The card is issued to all students, faculty, and staff and is used for privilege verification. The student card is validated each semester.

4.1 Goals and Objectives

California University of Pennsylvania is seeking to provide an increased level of service and convenience to students, faculty, and staff members of the University community.

The goals of the program are to:

- a. Extend card-based services, both on and off campus, such as banking.
- b. Increase effectiveness of campus-based systems by promoting card-based access to services.
- c. Reduce costs associated with providing additional card systems.

PSECU Response – Goals and Objectives

PSECU understands the University's goals and objectives.

SECTION 5

IDENTIFICATION CARD BANKING SERVICE REQUIREMENTS

California University of Pennsylvania purchases all carding supplies and produces the ID cards on site. The University understands there may be a need to re-card the campus community depending if a financial institution wishes to assist the University in the purchase of carding supplies as an incentive factor, this will be given consideration.

5.1 General Requirements

The University desires to issue cards to students, faculty, staff, and affiliates for the purpose(s) described in this document. The University must issue and maintain ISO numbers and desires to maintain a database of cardholders, including the digitized image of the cardholders, to support a variety of applications University-wide.

PSECU Response – General Requirements

PSECU agrees to the University's terms and will work with the University to achieve its objectives. PSECU has obtained an ISO as a sponsor for the University. Upon termination of the contract and selection of a different financial service provider by the University, PSECU will transfer the ISO numbers and encryption keys to the new financial institution. PSECU agrees to the University's desire to maintain a database of cardholders including their digitized image. PSECU will provide ATM debit service as a function on the ID card and the card will continue to meet International Standards Organization and American Banking Association standards.

5.2 Identification Cards

The identification cards will remain the cardholder's key to identification and access to facilities, funds, and services at the University. The identification card issuing system provides the infrastructure (database, issuing station hardware and software, card supplies) necessary for the ongoing production and creation of the card. Cardholders will then be given the opportunity to form a debit card banking relationship with the financial institution.

PSECU Response – Identification Cards

PSECU agrees to the University's terms. PSECU also agrees to provide ATM debit service as a function on the ID card for those students, faculty and staff that desire to form an account relationship with PSECU.

5.3 Printing of Cards

All ID cards will be printed on-site at California University of Pennsylvania.

PSECU Response – Printing of Cards

PSECU agrees that all ID cards will be printed on campus.

5.4 Card Durability

The ID card must be durable enough to withstand five years of normal student use without deterioration of magnetic strip, encoding properties, image, or other physical qualities of the card.

PSECU Response – Card Durability

PSECU agrees and recommends the use of a high coercivity (4000 Oersteds) magnetic strip to reduce deterioration of the magnetic strip and encoding properties.

5.5 Card Design

California University of Pennsylvania will maintain all control over the design and printing of the card. The design may be different for different types of cardholders and may change from time to time. As a minimum, the card will include the Cal identity mark, cardholder name, and cardholder ID number.

PSECU Response – Card Design

PSECU agrees to the University's terms.

5.6 Printing of Card Stock

Some card stock may be purchased with pre-printed information and graphics on both the front and back of the card; front of card only; or back of card only. Some card stock may be purchased totally blank.

PSECU Response – Printing of Card Stock

PSECU agrees to the University's terms and further recommends ID cards be produced without the PSECU logo on the ID card in order to give the University more control over the ISO number used on the card.

5.7 Advertising

In the event a contract is awarded for services resulting from this proposal, no indication of such sales or services to the University will be used in product literature or advertising without the consent of the University.

PSECU Response – Advertising

PSECU agrees to the University's terms.

SECTION 6

BANKING/FINANCIAL SERVICES

6.1 Range of Transactions

The financial institution should support a broad range of account transactions, including: 1) payroll deposit, direct deposit, withdrawals, and other services typical of personal banking relationships and 2) EDI transactions, such as refunds and financial aid reimbursements.

PSECU Response – Range of Transactions

PSECU offers a broad range of financial transactions to its membership with no minimum balance requirements other than \$5 that is reserved (in an unavailable status) to retain voting privileges for PSECU's Board of Directors and Credit Committee.

PSECU transaction services include, but are not limited to:

- *Direct Deposit, Payroll Deduction, ACH Origination*
- *ATM Service (deposits, withdrawals, transfers, inquiries)*
- *Online Account Access (psecu@home®) (bill payment, e-statements, check images, inter/intra-account transfers, check withdrawals)*
- *VISA® Credit and Check Card Service*
- *Checking Service*
- *Bill Payment (audio response and online)*
- *Direct Debits and ACH Service*
- *Wire Transfer Service*
- *UPost@Home®, online deposit service*

PSECU is also able to provide the direct deposit of financial aid refunds for students that elect to open a PSECU account.

6.2 Features

The financial institution should allow for deposits and withdrawals directly through ATM facilities. Cardholders should also be allowed to write checks from their accounts.

PSECU Response – Features

The university community cardholders may make up to 15 free ATM transactions each month (includes deposits and withdrawals). These ATM transactions can occur on PSECU ATMs or on any other ATM in the world (part of the STAR® or PLUS® networks—over 1 million ATMs at last count). In addition, PSECU rebates up to \$4 a month in surcharges that are assessed on our members by the owners of other ATMs. Rebates are credited to member savings accounts.

PSECU ATMs handle transactions for PSECU members and other financial institutions as follows:

- *Deposits to savings and checking*
- *Withdrawals from savings and checking*
- *Transfers between savings and checking*
- *Balance inquiries on savings and checking*

Checking account service is also available to cardholders.

- *Interest-bearing account with no minimum balance requirements*
- *Free PSECU custom checks with no printing charge*
- *Free overdraft transfer service*
- *Unlimited check writing privileges per month*
- *No monthly check charges*
- *Free archiving of canceled checks*
- *Online cleared check images through our online account access (psecu@home®)*
- *Check search capability through our online account access (psecu@home®)*
- *Access to 13 months checking history through our online account access (psecu@home®)*

6.3 Service Access.

Service access must be available 24 hours a day, 7 days a week. The University will have no liability for fraudulent use. Cardholders must be able to report a lost card and have it deactivated 24 hours per day, 7 days a week, via a 1-800 number or website.

PSECU Response – Service Access

The University Community cardholders will have access to a PSECU Member Service Representative through toll free access at 800.237.7328, Monday through Friday from 7 AM to 5 PM and on Saturday from 8 AM to 12 PM. After PSECU business hours cardholders will have 24 hours per day, 7 days a week access through an 800 number displayed on the back of their ATM, or VISA® card, which will enable them to close a lost or stolen card.

Cardholders will also have 24 hours per day, 7 days a week access to online accounts at www.psecu.com where they can access their accounts, perform maintenance and e-mail questions to various departments in PSECU. Responses to member e-mail questions are normally handled in a 24 hour period.

PSECU will provide ATM debit service in accordance with Regulation E so that the University will have no liability for fraudulent use of ATM debit cards or overdrafts due to ATM transactions.

PSECU has a 24 x 7 toll-free self-service access to deactivate lost/stolen ATM debit cards through audio response telephone.

The University will have no liability for lost, stolen or fraudulent use of ATM debit cards.

6.4 Acceptance of the Card

Primarily the financial institution shall promote acceptance of the card in the merchant community. The financial institution and the university will work together to identify potential merchants and encourage them to accept the identification card.

PSECU Response – Acceptance of the Card

PSECU will promote acceptance of the card in the merchant community. PSECU will work with the University to identify potential merchants and encourage them to accept the identification card.

6.5 Account Balance

The University does not guarantee any minimum account balance or utilization of the debit account balance option, but will work with the selected financial institution to provide information to cardholders for marketing purposes over the term of the agreement.

PSECU Response – Account Balance

PSECU understands there are no guarantees regarding profitability as account relationships are established.

6.6 Requirements

The card should be able to carry out transactions on campus (through ATM or cashier) or at a local banking facility. The financial institution must be:

- Federally insured under the Federal Depository Insurance Corporation.
- In good standing and be an approved depository
- A member of the Automated Clearing House

PSECU Response – Requirements

PSECU accounts are federally insured by the National Credit Union Administration (www.ncua.gov) up to \$100,000, the maximum allowed by law. In addition to the \$100,000 of insurance provided on an individual account or combination of individual accounts, members are also insured up to \$100,000 for any combination of accounts that are held jointly with other individuals. IRAs are insured separately up to \$250,000.

PSECU is an approved depository, the first credit union chartered (incorporated) in the Commonwealth of Pennsylvania in 1933. PSECU is

in good standing with both state (Department of Banking) and Federal (National Credit Union Administration) regulators.

PSECU is a member of the Automated Clearing House (ACH).

6.7 Transfer of ISO Numbers

Upon termination of this agreement, the University may choose to select a different financial institution to serve as the financial institution partner. The University desires the capability to transfer the ISO numbers associated with those accounts to the new financial institution.

PSECU Response – Transfer of ISO Numbers

PSECU obtained an ISO as a sponsor for the University in 2002. Upon termination of the contract and selection of a different financial service provider by the University, PSECU will transfer the ISO numbers and encryption keys to the new financial institution. To facilitate this process PSECU recommends ID cards be produced without the PSECU logo on the ID card.

6.8 Marketing Support

The financial institution will provide annual marketing budget to support the program. The financial institution will assist the University in promoting the debit card program to students by supplying printed material, making personal presentations on campus, and/or through other commonly used marketing methods. All marketing efforts will be approved and coordinated with California University of Pennsylvania.

PSECU Response – Marketing Support

PSECU views the proper education of parents, students, faculty and staff as a critical success factor for the campus ID card program and the use of electronic financial services. PSECU's solution is and has been to offer a e-Center that will function as a student education center staffed by student interns to assist in the education process. Through this cooperative effort, California students gain exposure to the financial services industry, help to educate their fellow students and parents (during orientation), and earn while they learn. The University benefits because the campus ID card production center can be linked to the e-Center for promotion of the campus ID card. PSECU benefits because parents and students learn to use our "self-directed" electronic services.

PSECU's Marketing program calls for mailings to students/parents in advance of their arrival on campus. The mailings will also include employees of the University. Also, PSECU is preparing e-mail advertisements in those cases where students have e-mail addresses. Efforts

are also underway to promote membership and our services at ATM locations on other campuses. This effort includes specially designed posters, themes, etc. Specific attention will also be directed at parents of students.

PSECU is also dedicated to the production of education programs on the effective use of its services. PSECU has developed education programs on student loans, credit cards, checking account reconciliation, ATM services, etc., as part of its Budgeting 101 seminars. PSECU will work with the University to develop similar education programs on the campus ID card.

We plan to continue to deliver these education programs through our exclusive home page developed for universities under the State System of Higher Education, and will have PC-based educational training modules on the e-Center's PCs.

6.9 Coordination for Effective Customer Service

The financial institution will work with the University to coordinate information necessary to maintain effective service to our customers.

*PSECU Response – Coordination for Effective Customer Service
PSECU will commit resources from its Information Technology Services Department to accomplish the necessary file transfers to maintain effective service to the University Community.*

SECTION 7

AUTOMATED TELLER MACHINE NETWORK

All ATMs installed by the Financial Institution on University property should connect to a major network(s), such as STAR or similar systems. The University shall not be liable for fraudulent use or overdrafts occurring due to ATM transactions.

PSECU Response – Automated Teller Machine Network
PSECU is affiliated with the STAR®, PLUS®, American Express®, VISA®, Mastercard® and Discover® networks.

The University will have no liability for fraudulent use of ATM debit cards or overdrafts due to ATM transactions.

7.1 Availability

Describe the availability of your institution's and the system provider's existing ATM network including, but not limited to, number of states in which there is presence and number of ATM locations.

PSECU Response – Availability
PSECU currently has 207 ATMs strategically located throughout Pennsylvania. All PSECU ATMs are available to its membership surcharge-free. In addition, PSECU has led an effort in Pennsylvania to expand surcharge-free ATM access for its membership and members of other credit unions.

In November 1998, PSECU formed and became the administrator of the CU\$® surcharge-free ATM alliance in Pennsylvania. The CU\$® alliance currently has 408 credit union participants (PA = 368; NJ = 23; DE = 4; CT = 3; WV = 1; CA = 2; OH = 2; NC = 1 MI = 2; NY = 1; VT = 1;) and offers 1,204 surcharge-free ATMs to credit union members in Pennsylvania. Additionally, 426 machines are available outside Pennsylvania in the states noted above. Machine locations are located at www.cudollar.org on the Internet. Most of the ATMs are available 24 x 7 to cardholders.

Expansion of the surcharge-free alliance in Pennsylvania and nationally is an objective defined in PSECU's five-year strategic plan. In addition to the ATM coverage provided by PSECU and the CU\$® alliance, PSECU cardholders may access any of the ATMs linked to the major networks noted above. If the owners of other ATMs surcharge PSECU members, we will reimburse up to four dollars (\$4) a month in surcharges.

The STAR® ATM network, owned by First Data, offers PIN-secured debit acceptance at 1.9 million ATM and retail locations.

In addition to the machines available through STAR®, the VISA®-owned PLUS® network offers 390,000 ATMs (50 states) in the United States alone. There are over one million PLUS® ATMs in 162 countries. ATMs through the three networks can be used by PSECU members to access their accounts.

7.2 Encoding Format.

Describe the encoding format required to conduct debit card transactions in ATMs and vendor POS terminals.

PSECU Response – Encoding Format

All encoding is on ABA Track II using MAC-1988 card format standards. PSECU uses a 16 digit card number on a high coercivity (4000 Oersteds) magnetic stripe.

7.3 Data Fields

Exactly what data fields would be placed on the stripe? Describe in detail the format, and purpose of each encoded field.

PSECU Response – Data Fields

TRACK 1

Track 1 is used to identify the cardholder to PSECU. It meets the ABA standard set for debit cards.

Field Number	Field Purpose	Field Length	Description
1	Start Sentinel	1	Value is “0” (Hex 25)
2	Format Code	1	Value is “B”
3	Primary Account Number	16	The card number
4	Field Separator	1	Value is “^” (Hex 5E)
5	Cardholder Name	2-26	Last name, surname separator (“’”, Hex 2F), and first name
6	End Sentinel	1	Value is “?” (Hex 3F)
7	Longitudinal Redundancy Check (LRC)	1	Value is “” (Hex 20)

For added security the Social Security Number has been removed from Track 1.

TRACK 2

Track 2 is the required ABA standard for banking debit cards.

Field Number	Field Purpose	Field Length	Description
1	Start Sentinel	1	Value is “;” (Hex 3B)
2	Primary Account Number	16	The card number
3	Field Separator	1	Value is “=” (Hex 3D)
4	Expiration Date	4	YYMM format. Contains actual year and month of expiration, if applicable (e.g., VISA), or filled with “4912” for cards which do not expire.
5	Variable	6-8	A series of fields depending on type of card being issued (e.g. see 5.2)
5.2	PIN Offset	4	Des PIN offset as encrypted/computed under the issuer’s keys
6	End Sentinel	1	Value is “?” (Hex 3F)
7	Longitudinal Redundancy Check (LRC)	1	Value is “^” (Hex 20)

7.4 Transaction Fees

Provide the ATM transaction fees, if any that would be charged to California University of Pennsylvania cardholders. Outline fees charged to those with and without accounts with your financial institution.

PSECU Response – Transaction Fees

- *To PSECU Member Users*

Members may make up to 15 ATM transactions each month for free (includes deposits and withdrawals). Members may use PSECU or CU\$® ATMs or any other ATM (not owned by PSECU).

Withdrawals or deposits in excess of the 15 each month are assessed a \$0.50 service charge for each transaction. Internal studies have shown that 90 percent of PSECU’s cardholders do 15 transactions or less each month. Withdrawals under \$20 are assessed a \$0.50 charge. Balance inquiries are assessed a \$0.25 service charge since inquiries can be done free of charge via our toll-free audio response telephone system, call centers or through our online account access (psecu@home®).

- *To Non-Member Users*

PSECU surcharges non-member withdrawal transactions on your university ATM at the rate of \$1.50. PSECU surcharges non-member withdrawal transactions at all other PSECU-owned ATMs at the rate of \$1.50. PSECU does not surcharge for deposits. PSECU’s position to surcharge on campus

is a strategic one to encourage membership and to offset the expense of the free services provided to our membership.

7.5 Branch Banking and ATM Locations

Preference will be given to financial institutions willing to provide a branch (electronic or full service) conveniently located in the Natali Student Center. The University is willing to explore various types of electronic branches. The university would like for the financial institution to offer us recommendations concerning adequate services to be provided at an on campus branch. The University would like a service center for the students, so that there is a point of contact with the bank to open accounts, review account history, and assist with questions and concerns. This could be accomplished through computer use, kiosk or an ATM machine. The University would like to have the location staffed by an employee of the financial institution. The financial institution would be responsible for the renovations and associated costs of having a branch on campus. University Physical Plant personnel must complete work; they are given the right to first refusal. These costs include but are not limited to casework, carpet, electrical requirements, and data drops. It is expected that the selected financial institution will compensate the University for use space and utilities related to placement of ATMs and banking branch on campus.

- a) Explain your institution's approach to expanding ATM network accessibility campus-wide including the number of ATMs to be placed on campus and the proposed placement locations.

PSECU Response – Branch Banking and ATM Locations – (a)

PSECU currently has two ATMs on University property that connect to the major ATM networks (previously described). PSECU currently has one ATM at the Student Center Building and one ATM at the Jefferson student housing complex. PSECU and the University will mutually agree on the installation of additional machines, their location on campus and the service to be provided (full-service depository or cash dispenser only).

PSECU will bear all cost of installation and utilities with the exception of electricity. PSECU will bear the cost of installing electrical connections. The ATM typically draws about the same amount of current as a PC and hasn't previously warranted a separate meter. All telephone costs (installation and monthly charges) are borne by PSECU. PSECU will ensure ADA compliance for access by any person with a disability.

(b) Provide a summarization of your institution's branch locations and ATM facilities in the area.

PSECU Response – Branch Banking and ATM Locations – (b)
PSECU has and proposes to continue to provide a student-staffed e-Center on campus.

PSECU also offers 10 other ATMs through the CU\$® alliance (surcharge-free to PSECU members) in Washington County. The machines are located in Allenport, Canonsburg, Charleroi and Washington.

SECTION 8

REVENUES AND FEES

8.1 Revenue Sharing

Each financial institution should determine possible revenue sharing, which might benefit both the financial institution and the University.

- a) Please provide a document that identifies projected revenues and costs associated with the program.

PSECU Response – Revenue Sharing – (a)

Please refer to PSECU's cost proposal document (Attachment A) for the detail of our financial commitment.

- b) Describe the additional opportunities that your institution would pursue in order to generate additional revenue for the financial institution and the university.

PSECU Response – Revenue Sharing – (b)

Please refer to PSECU's cost proposal document (Attachment A) for the detail of our financial commitment.

8.2 Account Information

- a) What are the costs/fees associated with the banking accounts?

PSECU Response – Account Information – (a)

A \$6 deposit is required to open an account at PSECU. One dollar is a non-refundable membership/entrance fee that grants lifetime membership and \$5 is reserved (in an unavailable status) to retain voting privileges for PSECU's Board of Directors and Credit Committee. The \$5 earns dividends at current rates and is fully refundable if a student chooses to close his/her account. There are no minimum balance requirements (other than the \$5).

PSECU waives the \$1 membership/entrance fee and will credit student, faculty and staff accounts with the \$5 minimum balance requirement if the accounts are opened at the on campus e-Center.

PSECU's membership application also provides the opportunity to request checking, ATM and online account access (psecu@home®) on one application.

Checking accounts earn dividends at current rates.

- *Interest-bearing account with no minimum balance requirements*
- *Free PSECU custom checks with no printing charge*
- *Free overdraft transfer service*
- *Unlimited check writing privileges per month*
- *No monthly check charges*
- *Free archiving of canceled checks*
- *Online cleared check images through our online account access (psecu@home®)*
- *Check search capability through our online account access (psecu@home®)*
- *NSF checks are charged \$30*

If a member wants a different check design, PSECU credits the member's printing costs with the amount of the basic checks. There is no limitation on the free checks. PSECU offers free overdraft transfer services to either a savings account or to a line of credit. Overdrafting to the line of credit does accumulate a finance charge.

b) List the proposed cardholder terms and conditions for the issuance and use of the card. Be sure to include issuance fees, card limits, use charges, maintenance fees, and any minimum balances.

PSECU Response – Account Information – (b)

New PSECU applicants consent to a credit check at the time of application for membership. A favorable credit history is required to qualify an applicant for ATM service. Applicants that do not have a credit history are approved for ATM service, but cards may initially be issued with lower withdrawal limits (\$300/day). New card accounts are evaluated after one year and card limits are raised to the standard limit (\$500/day) if the account is in good standing. Applicants that have questionable credit history may be granted ATM service, but card withdrawal limits are typically set at lower limits.

ATM Debit Card Features:

- *California ID Card with ATM Debit Service*
- *Withdrawals can be made immediately after a deposit*
- *Cardholder selected PIN*
- *Standard \$500 daily withdrawal limit with flexibility to increase the amount withdrawn for emergency purposes*
- *Unlimited POS transactions up to \$500 daily limit*
- *Free ATM transactions - up to 15 transactions (withdrawals or deposits) per month*
- *No account maintenance fees*
- *No card issuance or replacement fees*

- Free ATM cards - two per account
- No charge for use of ATM machines owned by other institutions (excludes surcharges charged by those institutions)
- Rebate on surcharged transactions at other institution ATMs – up to \$4 dollar a month

Transaction fees:

- Under \$20 withdrawal limit - \$0.50 per transaction
- Over 15 transaction limit (combined withdrawals and deposits – \$0.50 per transaction after 15 transactions)
- Account balance inquiry at ATM - \$0.25 per transaction

ATM transaction errors — data entry error — student keys in wrong amount:

PSECU staff will correct the error within two business days. If an adjustment is necessary to the account (funds credited or debited) this would be done upon recognition of the error. There is no liability to the cardholder unless such action is done repeatedly and appears to be done for fraudulent purposes. Since PSECU provides immediate credit on all deposits, one potential error that could occur is what we call an “empty envelope.” If such a transaction occurs, the account will be debited immediately. If the activity is repeated and appears fraudulent in nature, collection efforts against the cardholder would be undertaken. The cardholder’s ATM access may also be revoked.

Unauthorized ATM transactions — card used by someone other than the cardholder:

Since the card uses a personal identification number (PIN) to secure the transaction, the only time an unauthorized transaction can occur is when the PIN is breached. PIN protection on ATM debit cards typically insures cardholders against loss. Under Regulation E, the cardholder assumes a \$50 liability for such cases when reported timely. Untimely reporting could increase cardholder liability to \$500. The credit union would absorb any excess amount. Further, the depository ATMs are equipped with security cameras for confirmation of the person performing the transaction.

c) List the procedures to be followed to request and issue the cards and terminate the use of card.

PSECU Response – Account Information – (c)

Members of the University Community must first be members of PSECU. Once a member, the cardholder would go to PSECU’s e-Center and their ID card would be swiped through a PIN encoder to place the PIN offset on the card. Information on the magnetic stripe and any other information captured at the PIN encoding machine will be stored in an Access database. The database will be uploaded to either a fixed or delimited ASCII file. The

file will then be encrypted and transmitted to PSECU to link the card to the account at PSECU. The file transmission can be accomplished through a network connection whereby we would link into the Access database to retrieve the required information to establish the ATM debit service. The ATM service will be available within 24 hours.

PSECU has 24 x 7 toll-free self-service access to deactivate lost/stolen ATM debit cards through audio response telephone.

d) Describe how accounts will be opened.

PSECU Response – Account Information – (d)
PSECU Membership and ATM Service – Proposed Procedure:

Several methods will be made available for students, faculty and staff to open accounts with PSECU. Ideally, PSECU would like to see accounts opened prior to the carding of the university community to expedite the addition of ATM debit service to the ID card.

- *New Accounts – prior to ID carding event*
The objective is to introduce members of the university community to California's financial service provider and the ATM debit service that would be made available on the ID card. This could be accomplished through a mailer, marketing messages via California's website, campus radio, etc. The University and PSECU have mutually agreed upon the content of the information to be presented. PSECU would assume the costs of printing and mailing of marketing material, including follow up. Application for membership would be accomplished online through the e-Center or a paper application.

Incoming freshmen are notified with material provided with their admittance letter.

- *New Accounts – during or after the ID carding event*
If a member of the university community is not a PSECU member, application may be made at the e-Center or with a paper application. If application was made at the e-Center, the individual would complete the application and the account would be established real-time. The application would then be printed and signed by the applicant. Appropriate membership, ATM debit card and other required disclosures would be provided at that time. At the time the account is established, the \$1 membership/entrance fee is waived and the \$5 minimum balance to establish the account is credited (at PSECU's expense) to the applicant's account.

If the application is not made at the e-Center, a pre-printed application and disclosures is provided to the applicant. The application would be signed and returned to PSECU for processing.

e) How quickly can accounts be activated?

PSECU Response – Account Information – (e)

Accounts will be activated in real time when applications are made through our e-Center.

f) Where and how can deposits be made to the account?

g) What is the time line for deposits to be credited to the account?

PSECU Response – Account Information – (f & g)

Deposits may be made to PSECU accounts by using PSECU's depository ATM on campus or through any other deposit-accepting ATM owned by other institutions (currently 2,865 depository ATMs in PA will accept PSECU deposits). Regardless of the ATM used, PSECU grants immediate availability to funds up to \$10,000. However, holds may be placed on deposits if PSECU learns of account misuse by the cardholder. If holds are placed in this situation, we will tell the cardholder why the hold has been placed and when the funds will be available. In addition to ATM deposits, the most convenient method to fund accounts (especially student accounts) is through PSECU's online account access (psecu@home®) service.

Parents of California University students are also eligible (as immediate family members) to open accounts at PSECU. Those that do, and elect to receive our online account access (psecu@home®) service, may transfer funds to their son or daughter's account 24 x 7 from the convenience of their home or office computer. For parents that do not have online account access, they may also transfer from one account to another by using our toll-free audio response telephone system or by telephoning toll-free to PSECU during normal business hours.

Parents may also be joint owners on student accounts and have deposit access with a standard PSECU ATM card issued on the account. Once funds are deposited from a remote ATM, the student would have immediate access to the funds through the campus ATM.

Deposits may also be made by mail and are available the day the mail is received and processed. Payments made at one of our two counters are also available immediately.

PSECU also provides deposits by PC through our UPost@Home®, online deposit service, crediting up to \$1,500 instantly from anywhere in the country.

SECTION 9

DEBIT CARD (ON-LINE POS) PROGRAM

9.1 Monthly Statements

The financial institution must provide a monthly statement to cardholders who have activated their debit card accounts, and the financial institution may wish to enclose marketing material, which has been approved by the university in this monthly mailing.

PSECU Response – Monthly Statements

PSECU will provide a monthly statement to cardholders who have activated their debit card accounts.

a) Describe the transaction statements that will be used, including format and timing.

PSECU Response – Monthly Statements – (a)

PSECU provides monthly statements to all account holders with active transaction services (checking, all card services, etc.). Account statements are mailed at month-end.

PSECU also provides electronic statements through its online account access (psecu@home®) service that has been developed in-house for the custom delivery of service to our membership.

Account statements are formatted to include the post date, effective date, amount, address location and transaction sequence number for all ATM or POS transactions. POS transactions also include a vendor name or location where the purchase was made.

PSECU will also work with the University to develop and deliver specific marketing messages to the university community through its online account access (psecu@home®). In addition, PSECU has developed "Alert" messaging as an enhancement to its online account access (psecu@home® service). This feature will allow members to define "account triggers" (i.e. account balance declines to \$100) that sends a message reminder to the member to take action on their account.

b) Describe the actions you will take to assist in the promotion of that debit card feature and services.

PSECU Response – Monthly Statements – (b)

PSECU will continue to underwrite \$5,000 of its cost for the University to write, design and print the brochure.

Note: An approval process is in place to ensure that all interested parties review and approve promotional and educational materials. Appropriate management, a compliance officer and legal counsel currently review PSECU's literature, ads and commercials in the development stages.

PSECU plans to market the ID Card with its ATM debit card features in all membership promotions:

- *Inserts in Orientation packets for incoming freshmen*
- *Summer mailings to upperclassmen*
- *Follow-up postcard mailings to new student members who have not activated the debit card feature*
- *Postcard mailing to non-traditional students*
- *Mailing to summer school students*
- *Mailbox postcard to faculty, staff and adjuncts*

c) Describe the process required for the printing and handling of promotional material to be included with statements. Describe the additional marketing materials that your institution will provide to stimulate interest and use of the debit card.

PSECU Response – Monthly Statements – (c)

Marketing material that promotes direct deposit of student pay, debit card activation, the educational brochure "Plastic: Your First Credit Card," are available at the e-Center. The University may place at the e-Center at any time brochures or other university material to promote University events.

The approval process that is currently in place at PSECU ensures that all interested parties review and approve promotional and educational materials. Appropriate management, a compliance officer and legal counsel currently review PSECU's literature, ads and commercials in the development stages.

d) Describe your proposed marketing plan to expand services to activate cardholders and to entice non-users to activate the financial services offered through the University card by your institution.

PSECU Response – Monthly Statements – (d)

PSECU will continue to approach card activation through its retail marketing support and through highly targeted mailings and student newspaper advertising.

Programs that we have run in the past five years and will continue to run may include:

- *A postcard activation mailing in September*
- *Additional postcard mailings throughout the year as needed*
- *Marketing promotions will require students to visit the e-Center and register for the various giveaways, such as bookstore certificates, travelers checks, etc.*
- *Staff cross-selling debit card activation*
- *Ads in the student newspapers centering on either debit card activation or on students going to the e-Center and registering for a giveaway*

Retail promotions throughout the year that encourage students to come to the e-Center may include:

Move in Week:

- *Giveaways provided on a daily basis during the first week of classes. Students register for the giveaways when they have their stripe coded for ATM usage*
- *Soda and coffee coupons for the students who visit the e-Center to have card activated (coupons to be purchased from food provider)*
- *Bookstore gift certificates for students that visit the e-Center to have their card activated*

Semester-long Support may include:

- *Gas Card Day – students and faculty who visit the e-Center can register for one free \$20-gas card*
- *Coffee Coupon giveaway for student member*
- *Credit Union Day*
- *Newspaper advertising promoting e-Center and ID Card activation throughout both semesters*
- *Sports program ad*
- *Spring Break drawing for students that visit e-Center during specified period*
- *Credit Card Education program (with University approval) each semester. “Plastic – Your First Experience” brochure distributed to those who apply for a Student Visa®*

- *Direct Deposit Promotion – Students and Faculty*
- *Bookstore gift certificates*

9.2 Reports to the University

The financial institution will supply monthly reports to the University summarizing the transaction activity and related fees paid to the University.

PSECU Response – Reports to the University

PSECU will continue to provide monthly reports to the University that substantiate revenues returned to the University in the form of commission payments, fee, etc. Examples include the number of ATM transactions when rent is based on a transaction fee paid to the University, new accounts opened through the e-Center, etc.

9.3 POS Purchases

The card will be accepted to purchase good and services on and off campus. Outline the following:

a) The physical equipment and communication lines necessary to process the transaction.

PSECU Response – POS Purchases – (a)

Merchants in the California area would be required to purchase point of sale terminals affiliated with the STAR® network. These terminals operate off a standard telephone line in a dial-up capacity. This means the transactions are routed through a modem link to the STAR® network and then to a PSECU account.

b) The steps required by the vendor to process the transactions.

c) Any steps required by the cardholder including entering of PIN numbers or signing of forms.

d) Any receipts that are required to print out.

e) List the amount of time required to validate and complete the transaction.

PSECU Response – POS Purchases – (b, c, d, & e)

Using Star® network affiliated POS terminals, cardholders would swipe their card and enter a PIN to authorize the transaction. Transactions would be processed in the same manner and time frame (within seconds) as an ATM withdrawal. Amounts would debit the account balance held at PSECU, followed by settlement between PSECU and the merchants. Merchants are required to issue a receipt to the cardholder.

f) How vendors would become active participants in the debit card program?

PSECU Response – POS Purchases (f)

The University and PSECU would mutually agree on the merchants to be solicited for participation in the off-campus debit program. PSECU would then solicit merchants and market the advantages of POS. These advantages would include less handling of cash, coin and NSF checks as well as an increased sales volume from other customers.

PSECU determined from a review of its POS transaction activity reports that the following merchants in the California area are currently accepting CalCard ATM debit POS.

*7 Eleven
Aldi
American Eagle
AutoZone
Bath & Body Works
Bed, Bath & Beyond
Best Buy
Bevard, Inc
Body Centrral
Brownsville Ciga
Carmike
Champs
Charleroi Save-a-Lot
Citgo
Cougar Mini-Mart
CVS
Dairy Queen
Dollar General
Dunhams
Eckerd
Exxon/Mobil
Family Dollar
Gablars Drug
GameStop
Giant Eagle
Hollywood Tans
Kmart
Kwik Fill
Lowe's
Marshalls
Martins Food Market
McDonalds
Medicine Shop*

Old Navy
OM Shiva Enterprise
Parts Plus
Payless
Quiznos
Redstone Pharmacy
RiteAid
Ross Stores
Sassys Nail Salon
Sears Roebuck
Sheetz
Sheehan Food
Speedy Food Mart
Staples
Subway
Target
Home Depot
USPS
Value City
Verizon
Wal-Mart
Wine & Spirits

g) How large of a geographical area would the debit card be accepted?

PSECU Response – POS Purchases (g)

First Data, owner of the STAR® ATM network offer POS service through over 1 million merchants in a broad geographic area that covers approximately 50 states.

SECTION 10

OTHER INFORMATION REQUIRED

The financial institution must also provide:

10.I Marketing Information

Current and future budgets for the University debit card program marketing financial commitment.

PSECU Response – Marketing Information

Please refer to PSECU's cost proposal document (Attachment A) for the detail of our financial commitment.

a) Describe how the contractor will assist the University in marketing the program to cardholders and merchants. Please state the marketing fund or budget that will be established for marketing purposes for the University.

PSECU Response – Marketing Information – (a)

PSECU commits to the following assistance in marketing the program to cardholders and merchants: PSECU will underwrite printed material necessary to accomplish the goal of expanding merchant awareness in the community.

Card Holder Support

PSECU's Marketing program will continue to call for mailings to students and their parents in advance of their arrival on campus. The mailings have also included employees of the University. Also, PSECU runs e-mail advertisements in those cases where students have provided e-mail addresses. This effort has proven successful, in our five years on campus thousands of students, faculty, staff and family members have applied to PSECU for membership through the e-Center. This effort includes specially designed posters, themes, and previously mentioned promotions. All efforts support the concept of making the CalCard the only card students need during their stay at the University.

b) A description of how your institution can assist the University in the issuance process.

PSECU Response – Marketing Information – (b)

PSECU has had and will continue to have adequate staffing to assist California University during the carding process.

10.2 Cardholder/Account Management

- a) A description of how your institution issues and manages a cardholder's pin.

PSECU Response – Cardholder/Account Management – (a)

At the time of application for PSECU ATM or Check Card service, a member selects their ATM PIN. Upon receipt of the signed application, the card is ordered and a PIN offset is encoded on the magnetic strip of the card. The PIN number is removed from the application and destroyed. PSECU does not keep a record of PIN numbers.

Members adding debit service to their ID cards will be asked to enter and verify their PIN in PSECU's carding equipment. PSECU has no record of the PIN.

- b) A description of how your institution will handle lost or stolen cards reported to the University or your institution and inquiries made by cardholders to your institution (i.e., through your customer service center, via toll-free number).

PSECU Response – Cardholder/Account Management – (b)

The University Community cardholders will have access to a PSECU Member Service Representative through toll free access at 800.237.7328, Monday through Friday from 7 AM to 5 PM and on Saturday from 8 AM to 12 PM. After PSECU business hours cardholders will have 24 hours per day, 7 days a week access through an 800 number displayed on the back of their ATM, or VISA® card, which will enable them to close a lost or stolen card.

Cardholders will also have 24 hours per day, 7 days a week to access online accounts at www.psecu.com where they can access their accounts, perform maintenance and e-mail questions to various Departments in PSECU. Responses to member e-mail questions are normally handled in a 24 hour period.

PSECU will provide ATM debit service in accordance with Regulation E so that the University will have no liability for fraudulent use of ATM debit cards or overdrafts due to ATM transactions.

PSECU has a 24 x 7 toll-free self-service access to deactivate lost/stolen ATM debit cards through audio response telephone.

The University will have no liability for lost, stolen or fraudulent use of ATM debit cards.

c) A description of how the system will handle transaction authorizations. Include explanation of POS, ATM deposits and withdrawals, and any other relevant transaction type.

PSECU Response – Cardholder/Account Management – (c)

PIN entry is required at an ATM or POS device to complete a transaction. The PIN number entered at the ATM, the card number and PIN offset are formatted into an ANSI PIN block. The PIN block and transaction are then encrypted and the result is transmitted to the STAR® network switch where the information is de-encrypted. The STAR® switch verifies the actual PIN and the PIN offset. A match then results in an encrypted transmission sent to PSECU for authorization. An encrypted authorization message is returned by PSECU and the transaction is completed. This process occurs within seconds.

d) A description of how the system will protect against fraudulent use of the debit cards.

PSECU Response – Cardholder/Account Management – (d)

Cardholders are permitted three PIN entry attempts before the transaction is denied. Once denied the cardholders account is blocked against additional activity. Cardholders are required to contact PSECU to remove the account block. However, the best protection against fraudulent card use is to educate the cardholder. PSECU goes to great length to ensure cardholders understand the importance of keeping their PIN numbers secure.

e) A description of your system's ability to limit cardholder exposure to overdraft situations.

PSECU Response – Cardholder/Account Management – (e)

PSECU's ATM service operates in an online real-time environment. If sufficient funds are not available in the account at the time that a transaction (ATM or POS) is requested, it will not authorize.

f) Proposed banking service fees to be charged to individual cardholders.

PSECU Response – Cardholder/Account Management – (f)

• ***To PSECU Member Users:***

Members may make up to 15 ATM transactions each month for free (includes deposits and withdrawals). These ATM transactions can occur on PSECU ATMs or on any other ATM in the world. There are over one million PLUS® ATMs in 162 countries. ATMs through the three networks can be used by PSECU members to access their accounts.

Withdrawals or deposits in excess of the 15 per month are assessed a \$0.50 service charge for each transaction. Studies have shown that 90 percent of PSECU's cardholders do 15 transactions or less. Withdrawals under \$20 are also assessed a \$0.50 charge. Balance inquiries are assessed a \$0.25 service charge since inquiries can be done free of charge via our toll-free audio response telephone system, call centers or through online account access (psecu@home®).

- *To Non-Member Users:
PSECU surcharges non-member withdrawal transactions on our California University ATMs at a rate of \$1.50. PSECU surcharges non-member withdrawal transactions at all other PSECU-owned ATMs at the rate of \$1.50. PSECU does not surcharge for deposits. PSECU's position to surcharge on campus is a strategic one to encourage membership and to offset the expense of the free services provided to our membership.*

10.3 Incentives to the University

Please outline any incentives you are willing to give the University.

PSECU Response – Incentives to the University

Please refer to PSECU's cost proposal document (Attachment A) for the detail of our financial commitment.

SECTION 11

EXPERIENCE OF PARTNERS

11.1 Understanding the problem

Describe how the financial institution will assist the University in reaching its' goals as set forth in this RFP. The financial institution will be expected to demonstrate an understanding of the University needs related to this RFP, and the nature and scope of the services being requested.

PSECU Response – Understanding the Problem

It is our understanding that California University is seeking to continue to work with a financial institution that can offer a broad range of financial services to the university community while expanding or improving the continued development of the campus ID card program that currently includes ATM debit service. In addition, the University seeks a financial service provider to service the university community in a professional environment while supporting both financially and educationally the university life experience on campus.

Conclusion:

The Pennsylvania State Employees Credit Union has been privileged through its Articles of Incorporation to serve the students, faculty and staff of California University under the State System of Higher Education since 1987. We would like to thank California University for considering us to continue to provide ID card and financial services to members of the University Community. We look forward to continue working with you in the near future.

11.2 Qualifications of Staff

Describe the background, experience, and qualification of the officers and staff that will facilitate this program with the University.

PSECU Response – Qualifications of Staff

The following personnel are directly responsible for managing the California e-Center.

Tom Burk, Administrator, Campus e-Centers

Tom Burk joined PSECU in 2002 and currently manages e-Center services at Bloomsburg University, California University, East Stroudsburg University, Lock Haven University and Mansfield University. Prior to joining PSECU he held executive level positions at Alltel, Adelphia Business Communications, Fairpoint Communications and Central Locating Services.

e-mail: tburk@psecu.com

*Carrie Kromer, PSECU Business Advisor to California University
Graduated from Penn State, Fayette Campus with Associate Degree
Graduated from West Virginia Career College with diploma
Worked for Newell Federal Credit Union as branch manager
Started with PSECU as e-Center manager 2006
Involved in Boy Scouts and Cub Scouts for the Westmoreland/Fayette
Council
e-mail: ckromer@psecu.com*

The following personnel are based in our headquarters in Harrisburg PA.

*Dave Warwavesyn, Vice President of Member Services
Educational background includes an MBA from Saint John's University,
New York, N.Y. with an Accounting major and a BBA from Pace
University, New York, N.Y. with a major in Marketing. Dave has held this
position 20 years and prior to reorganization, was responsible for ATM and
VISA® services.
e-mail: dwarwave@psecu.com*

*Thomas Ruback, CPA; CFSA – Vice President of Card Services
As Vice President of Card Services for eleven years, Tom oversees the
campus ID cards program, was responsible for launching PSECU's Check
Card and online deposit service, UPost@Home. He is a Certified Public
Accountant and Certified Financial Services Auditor who previously served
PSECU for ten years as the Vice President of Internal Audit Services. Tom
majored in Accounting and has a Bachelor of Science Degree from the
Pennsylvania State University, University Park.
e-mail: truback@psecu.com*

*Earl Lloyd, Administrator, University Development
Twenty years account management experience. Earl negotiated the
contracts for the HACC e-Center and all University e-Centers on SSHE
campuses. Earl received a BA in Management from Rowan University. He
is the primary contact for SSHE campus service facilities.
e-mail: elloyd@psecu.com*

*Jamie Weaver, Manager, Campus Card & ATM Relationship
Eight years experience with PSECU. Before assuming responsibility for ID
Card programs, Jamie specialized in ATM relationships and Marketing e-
Services. Jamie has a Bachelor of Arts Degree from the University of
Pittsburgh. Jamie manages all campus card and ATM installations, and is
the primary contact for the Campus ID Card programs.
e-mail: jweaver@psecu.com*

*Rick Long, Vice President of Information Technology Services
Provides Information Technology Support to the University Campus ID
Projects. Rick has been in the Information Technology Services department
for 23 years serving as a Vice President for the past eleven years. Rick has
an Associates degree in Business Administration.
e-mail: rlong@psecu.com*

*Scott W. Rhoads, CPA – Vice President Finance
Scott holds a Bachelor of Science degree from Elizabethtown College with a
major in Accounting. Scott worked for seven years as a Certified Public
Accountant with a public accounting firm before joining PSECU in 1984.
He has 22 years experience as Chief Financial Officer with PSECU.*

*Frederick F. Coffroth, II, CISA; CIA; CFSA; CBA – Vice President
Internal Audit Services
Fred is responsible for administering a comprehensive internal auditing
program designed to provide management with an independent assessment
of the systems of control operating within PSECU. PSECU's Internal Audit
Services is actively involved in various professional organizations including
the Institute of Internal Auditors, the Information Systems Audit and
Control Association, and the Association of Credit Union Internal Auditors.
Fred has an undergraduate degree from West Virginia University and a
Masters in Business Administration from Shippensburg University. He has
received several professional certifications and has been auditing in the
financial services industry for the past eleven years.*

*William Zysk, Vice President of Credit Services
Bill has been responsible for all lending activity at PSECU since 1989. Bill
has an undergraduate degree from the Pennsylvania State University and a
Masters in Business Administration from York College.*

*Cathy Tama-Troutman, PHR – Vice President of Human Resources
Cathy has held this position for 17 years with PSECU. She has 26 years of
experience in the Human Resources field and is certified by the Society of
Human Resources Management. Cathy majored in Personnel
Administration and Labor Relations and has a Bachelor of Science and
Economics degree from the Wharton School of the University of
Pennsylvania, Philadelphia, Pennsylvania.*

*Barb Bowker, Vice President of Marketing
Barb is responsible for overseeing the marketing and business development
functions for PSECU. Barb has been with PSECU for 20 years serving in
the Marketing, Member Services and Information Technology departments.
Barb has a Bachelor of Science in Business Administration from
Shippensburg University.
e-mail: bbowker@psecu.com*

Jerry DelPierre, Remote Telecom/PC Engineer
Jerry is responsible for telecommunications planning and implementation for University e-Centers. His area of expertise includes line provisioning; as well as PC installation and networking. He has 13 years experience with PSECU and has a B.S. degree in Computers and Information Systems from King's College, Wilkes-Barre, PA.
e-mail: jdelpierre@psecu.com

11.3 Knowledge Base

Describe the product knowledge, regulatory requirements, and operating policies related to the debit card programs within your institution. How will these requirements and policies affect the card program at the University and what impact will they have on the flexibility desired in this program?

PSECU Response – Knowledge Base

PSECU has been a credit union industry leader in debit / point of sale (POS) card processing since 1982. In 1982 we introduced our first ATM card and since then our card base has increased significantly. Our members (244,505 cardholders) complete 1.7 million transactions a month using their PSECU cards. ATMs account for approximately 824,000 transactions a month and POS account for 889,000 a month. ATM and POS transaction activity is governed by Regulation E. PSECU is well versed in the requirements of Regulation E that governs the ATM debit function of the ID card.

The regulatory requirements and our operating policies presented throughout this RFP are the same requirements that apply to PSECU's existing card programs. They will not impact the flexibility of the University program.

PSECU has implemented our educational e-Center programs on nine SSHE schools and one Community College as well as one private college to provide financial services on campus. PSECU has worked with five of the nine SSHE Universities to implement an e-Center with campus ID card and ATM debit service. The program began in May 2001 and as of January 31, 2007 over 12,000 student ID cards have been issued with ATM debit service.

11.4 Customer Service Budget

Describe the total budget spent on systems for customer service development.

PSECU Response – Customer Service Budget

PSECU annually invests over \$2 million to enhance and maintain systems for member services. In 2007, PSECU will again exceed 2 million in enhancing member service related programs. In the third quarter PSECU will introduce the ability to transfer funds through the ACH platform from non-PSECU account holders into PSECU accounts on an as needed basis.

11.5 References

Include a list of at least three (3) references for implemented debit card programs. References should be identified with the name of the customer shown, including the name, address, and telephone number of the responsible official of the customer, company, or agency who may be contacted.

PSECU Response – References

Millersville University (Two ATMs; ID/ATM - Card Program)

Amy Dmitzak

Assistant Vice President for University Advancement

PO Box 1002

Millersville, PA 17551

(717) 872-3586

Harrisburg Area Community College (One ATM)

George Franklin

Vice President of Finance

One HACC Drive

Harrisburg, PA 17110

(717) 780-2376

Lock Haven University (Two ATMs; ATM/ID - Card Program)

Dr. Linda D. Koch

Vice President for Student Affairs

311 Sullivan Hall

Lock Haven, PA 17745

(570) 893-2022

Kutztown University (Two ATMs; ATM/ID - Card Program)

James Sutherland

Vice President for Administration and Finance

219 Administration Building

Kutztown, PA 19530

(610) 683-4106

Bloomsburg University (Three ATMs; Card Program)
James McCormack
Assistant Director for Administration and Technology
400 East Second Street
Bloomsburg, PA 17815
(570) 389-4166

Elizabethtown College (One ATM)
David Dentler
Vice President for Administration
One Alpha Drive
Elizabethtown, PA 17022
(717) 361-1524

Attachment A

Cost Proposal for

ON-CAMPUS

ATM/BANKING SERVICES

for

CALIFORNIA UNIVERSITY

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Costs to California University

There are no costs associated with this proposal to the University.

Revenue sharing and financial incentives to the University

In exchange for the on-campus space provided by California for the e-Center, PSECU will provide the following financial support:

- A monthly rent of the e-Center space - \$3,000 per year - **\$15,000** for the five year contract.
- An unrestricted renewal bonus of **\$20,000** to be paid in year one.
- \$12,500 in scholarships each year - **\$62,500** over the five year contract.
- Cash donations will be made for each new account and selected services opened, to be used at California's discretion is estimated at **\$48,855** over the life of the contract.*
- ATM rent is estimated at **\$18,000** over the life of the contract.**
- The e-Center Business Advisor and Intern salaries will be paid by PSECU.

*California University and Intern Incentive schedule: Incentives are payable for any of the following services set up within one year of the member joining PSECU:

<u>PSECU SERVICE</u>	<u>UNIVERSITY INCENTIVE</u>	<u>INTERN INCENTIVE</u>
New Account (Student/Family)	\$ 5.00	\$ 2.00
New Account (Faculty/Staff)	\$ 20.00	\$ 10.00
Real Estate Equity Loan	\$ 20.00	\$ 10.00
Auto Loan	\$ 10.00	\$ 5.00
Check Card	\$ 5.00	\$ 2.00
Checking	\$ 5.00	\$ 2.00
Visa®	\$ 5.00	\$ 2.00

The estimated \$48,855 is based on University incentives for the previous 5 years.

**ATM Rent: The number of ATM withdrawal transactions over the last 5 years produced approximately \$18,000 in income. PSECU is projecting the same over the next five years. This is based on a \$0.15 per withdrawal transaction fee.

In addition, incentives are payable for the following services set up within one year of Alumni members joining PSECU:

	<u>INCENTIVE</u>
New Account	\$ 5.00
Real Estate Equity Loan	\$20.00
Auto Loan	\$10.00
Check Card	\$ 5.00
Checking	\$ 5.00
Active psecu@home users	\$ 5.00

Response to RFP: 10 OTHER INFORMATION REQUIRED (10.1 & 10.3)
 The financial institution must also provide:

Current and future budgets for the University debit card program marketing financial commitment

A. Budget for the e-Center/Debit Card Program

- Underwrite \$700 per year (\$3,500 over five years) for co-branded Orientation Staff T-shirts
- Underwrite \$1,000 per year (\$5,000 five years) for ID Card Brochures
- Underwrite \$1,000 per year (\$5,000 over five years) in matching funds towards a SGA project
- Student Organization Grant – \$1,000 grant per year (\$5,000 over five years) for winning proposal concerning a program that will benefit the campus community
- Orientation Support ~~\$3,000~~ per year (~~\$15,000~~ over five years) to support orientation activities aimed at incoming freshman. \$3,500
\$17,500

Total One Year \$ 6,700
 Total Five Years \$33,500

Date: 6-8-07

B. Additional Amounts Budgeted by PSECU

- PSECU budgeted \$5,000 per year (\$25,000 over five years) for miscellaneous sponsorships
- PSECU budgeted \$5,000 per year (\$25,000 over five years) in student newspaper and sports (football program) advertising

Total One Year \$ 10,000
 Total Five Years \$50,000

PSECU Total One Year	(A & B)	\$16,700
PSECU Total Five Years	(A & B)	\$83,500

Indirect Financial Impact On-Campus Salaries

Based on the past five years, PSECU estimates that the total on campus salaries paid to e-Center staff will total \$201,750.

Attachment A

University Revenue and Budget Recap

<u>Incentives</u>		<u>Amount</u>
Scholarships	\$	62,500.00
Rental Space	\$	15,000.00
University Incentives	* \$	48,855.00
ATM Rent	** \$	18,000.00
Renewal Bonus	\$	20,000.00
<u>e-Center Promotion Budget</u>		
Miscellaneous Sponsorships	\$	25,000.00
Sports Advertising	\$	25,000.00
ID Card Brochure	\$	5,000.00
SGA Project	\$	5,000.00
Orientation support	\$	15,000.00
Orientation Shirts	\$	3,500.00
Student Organization Grant	\$	5,000.00
Total Direct Financial Impact	\$	247,855.00
Indirect Financial Impact	\$	210,750.00
Total On-Campus Financial Impact	\$	458,605.00

* Estimate based on incentives paid over five years

** Estimate based on ATM transaction volume from past 12 months x 5 years

California University of Pennsylvania
Addendum No. 1
To
Project CAL 06-06

Issued 2/8/07
By: Joyce Sheppick
Purchasing Agent
724-938-4592

QUESTION 1 – In reference to 6.1 Range of Transactions, can you clarify the capabilities expected listed under #2, EDI Transactions?

ANSWER 1 – The University currently issues refunds/financial aid reimbursement manually. The University is interested in exploring the possibility of issuing refunds/financial aid reimbursements electronically. We are looking for the vendor to inform us of the type of services they could offer to assist us with this process.

QUESTION 2 – Can you elaborate on section 11.4, “Describe the total budget spent on systems for customer service development”?

ANSWER 2 – Please outline the total budget spent on customer service for your organization. In addition, include any additional amount that will be budgeted to insure exceptional customer service at California University of Pennsylvania.

OTHER:

Add the following statement at the end of section 1.12 Contractual Obligations, “Chosen institution is mandated to use the University contract for all voice and data circuits.”

2. TERM OF CONTRACT. The term of the Contract shall commence on the Effective Date (as defined below) and shall end sixty months thereafter, subject to the other provisions of the Contract. The Effective Date shall be fixed by the Contracting Officer after the Contract has been fully executed by the Contractor and by the Commonwealth and all approvals required by Commonwealth contracting procedures have been obtained. The Contract shall not be a legally binding contract until after the Effective Date is affixed and the fully executed Contract has been sent to the Contractor. The Contracting Officer shall issue a written Notice to Proceed to the Contractor directing the Contractor to start performance on a date which is on or after the Effective Date. The Contractor shall not start the performance of any work prior to the date set forth in the Notice to Proceed and the Commonwealth shall not be liable to pay the Contractor for any service or work performed or expenses incurred before the date set forth in the Notice to Proceed. No agency employee has the authority to verbally direct the commencement of any work under this Contract. The Commonwealth reserves the right, upon notice to the Contractor, to extend the term of the Contract for up to three (3) months upon the same terms and conditions. This will be utilized to prevent a lapse in Contract coverage and only for the time necessary, up to three (3) months, to enter into a new contract.

3. RENEWALS. N/A

4. COST OF AGREEMENT. It is understood that the cost of this Agreement to the University shall not exceed N/A.

5. COMPENSATION/EXPENSES. The Contractor shall be required to perform the specified services at the price(s) quoted in the Contract. All services shall be performed within the time period(s) specified in the Contract. The Contractor shall be compensated only for work performed to the satisfaction of the Commonwealth. The Contractor shall not be allowed or paid travel or per diem expenses except as specifically set forth in the Contract.

6. INVOICES. Unless the Contractor has been authorized by the Commonwealth for Evaluated Receipt Settlement or Vendor Self-Invoicing, the Contractor shall send an itemized invoice to the agency at the address referenced on the purchase order promptly after services are satisfactorily completed. The invoice should include only amounts due under the Contract/purchase order. The purchase order number must be included on all invoices. In addition, the Commonwealth shall have the right to require the Contractor to prepare and submit a "Work In Progress" sheet that contains, at a minimum, the tasks performed, number of hours, hourly rate, and the purchase order or task order to which it refers.

7. PAYMENT.

a. The Commonwealth shall put forth reasonable efforts to make payment by the required payment date. The required payment date is: (a) the date on which payment is due under the terms of the Contract; (b) thirty (30) days after a proper invoice actually is received at the "Provide Service and Bill To" address if a date on which payment is due is not specified in the Contract (a "proper" invoice is not received until the Commonwealth accepts the service as satisfactorily performed); or (c) the payment date specified on the invoice if later than the dates established by (a) and (b) above. Payment may be delayed if the payment amount on an invoice is not based upon the price(s) as stated in the Contract. If any payment is not made within fifteen (15) days after the required payment date, the Commonwealth may pay interest as determined by

the Secretary of Budget in accordance with Act No. 266 of 1982 and regulations promulgated pursuant thereto. Payment should not be construed by the Contractor as acceptance of the service performed by the Contractor. The Commonwealth reserves the right to conduct further testing and inspection after payment, but within a reasonable time after performance, and to reject the service if such post payment testing or inspection discloses a defect or a failure to meet specifications. The Contractor agrees that the Commonwealth may set off the amount of any state tax liability or other obligation of the Contractor or its subsidiaries to the Commonwealth against any payments due the Contractor under any contract with the Commonwealth.

b. The Commonwealth shall have the option of using the Commonwealth purchasing card to make purchases under the Contract or purchase order. The Commonwealth's purchasing card is similar to a credit card in that there will be a small fee which the Contractor will be required to pay and the Contractor will receive payment directly from the card issuer rather than the Commonwealth. Any and all fees related to this type of payment are the responsibility of the Contractor. In no case will the Commonwealth allow increases in prices to offset credit card fees paid by the Contractor or any other charges incurred by the Contractor, unless specifically stated in the terms of the Contract or purchase order.

8. TAXES. The Commonwealth is exempt from all excise taxes imposed by the Internal Revenue Service and has accordingly registered with the Internal Revenue Service to make tax free purchases under Registration No. 2374001-K. With the exception of purchases of the following items, no exemption certificates are required and none will be issued: undyed diesel fuel, tires, trucks, gas guzzler emergency vehicles and sports fishing equipment. The Commonwealth is also exempt from Pennsylvania state sales tax, local sales tax, public transportation assistance taxes and fees and vehicle rental tax. The Department of Revenue regulations provide that exemption certificates are not required for sales made to governmental entities and none will be issued. Nothing in this paragraph is meant to exempt a construction contractor from the payment of any of these taxes or fees which are required to be paid with respect to the purchase, use, rental, or lease of tangible personal property or taxable services used or transferred in connection with the performance of a construction contract.

9. ASSIGNMENT OF ANTITRUST CLAIMS. The Contractor and the Commonwealth recognize that in actual economic practice, overcharges by the Contractor's suppliers resulting from violations of state or federal antitrust laws are in fact borne by the Commonwealth. As part of the consideration for the award of the Contract, and intending to be legally bound, the Contractor assigns to the Commonwealth all right, title and interest in and to any claims the Contractor now has, or may acquire, under state or federal antitrust laws relating to the products and services which are the subject of this Contract.

10. OWNERSHIP RIGHTS. The Commonwealth shall have unrestricted authority to reproduce, distribute, and use any submitted report, data or material, and any software or modifications and any associated documentation that is designed or developed and delivered to the Commonwealth as part of the performance of the Contract.

11. TERMINATION OF AGREEMENT. The Commonwealth has the right to terminate this Contract for any of the following reasons. Termination shall be effective upon written notice to the Contractor:

- (a) Termination for Convenience. The Commonwealth shall have the right to terminate the Contract for its convenience if the Commonwealth determines termination to be in its best interest. The Contractor shall be paid for work satisfactorily completed

prior to the effective date of the termination, but in no event shall the Contractor be entitled to recover lost profits.

(b) Non-appropriation. The Commonwealth's obligation to make payments during any Commonwealth fiscal year succeeding the current fiscal year shall be subject to availability and appropriation of funds. When funds (state and/or federal) are not appropriated or otherwise made available to support continuation of performance in a subsequent fiscal year period, the Commonwealth shall have the right to terminate the Contract. The Contractor shall be reimbursed for the reasonable value of any nonrecurring costs incurred but not amortized in the price of the supplies or services delivered under this Contract. Such reimbursement shall not include loss of profit, loss of use of money, or administrative or overhead costs. The reimbursement amount may be paid from any appropriations available for that purpose.

(c) Termination for Cause. The Commonwealth shall have the right to terminate the Contract for Contractor default under paragraph 19, Default, upon written notice to the Contractor. The Commonwealth shall also have the right, upon written notice to the Contractor, to terminate the Contract for other cause as specified in this Contract or by law. If it is later determined that the Commonwealth erred in terminating the Contract for cause, then, at the Commonwealth's discretion, the Contract shall be deemed to have been terminated for convenience under subparagraph (a).

12. AUDIT PROVISIONS. The Commonwealth shall have the right, at reasonable times and at a site designated by the Commonwealth, to audit the books, documents and records of the Contractor to the extent that the books, documents and records relate to costs or pricing data for the Contract. The Contractor agrees to maintain records which will support the prices charged and costs incurred for the Contract. The Contractor shall preserve books, documents and records that relate to costs or pricing data for the Contract for a period of three (3) years from date of final payment. The Contractor shall give full and free access to all records to the Commonwealth and/or their authorized representatives.

13. CONTRACTOR RESPONSIBILITY.

a. The Contractor certifies, for itself and all its subcontractors, that as of the date of its execution of this Bid/Contract, that neither the Contractor, nor any subcontractors, nor any suppliers are under suspension or debarment by the Commonwealth or any governmental entity, instrumentality, or authority and, if the Contractor cannot so certify, then it agrees to submit, along with its Bid, a written explanation of why such certification cannot be made.

b. The Contractor also certifies, that as of the date of its execution of this Bid/Contract, it has no tax liabilities or other Commonwealth obligations.

c. The Contractor's obligations pursuant to these provisions are ongoing from and after the effective date of the contract through the termination date thereof. Accordingly, the Contractor shall have an obligation to inform the Commonwealth if, at any time during the term of the Contract, it becomes delinquent in the payment of taxes, or other Commonwealth obligations, or if it or any of its subcontractors are suspended or debarred by the Commonwealth, the federal government, or any other state or governmental entity. Such notification shall be made within 15 days of the date of suspension or debarment.

d. The failure of the Contractor to notify the Commonwealth of its suspension or debarment by the Commonwealth, any other state, or the federal government shall constitute an event of default of the Contract with the Commonwealth.

e. The Contractor agrees to reimburse the Commonwealth for the reasonable costs of investigation incurred by the Office of State Inspector General for investigations of the Contractor's compliance with the terms of this or any other agreement between the Contractor and the Commonwealth, which results in the suspension or debarment of the Contractor. Such costs shall include, but shall not be limited to, salaries of investigators, including overtime; travel and lodging expenses; and expert witness and documentary fees. The Contractor shall not be responsible for investigative costs for investigations that do not result in the Contractor's suspension or debarment.

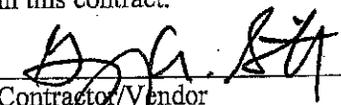
f. The Contractor may obtain a current list of suspended and debarred Commonwealth contractors by either searching the Internet at <http://www.dgs.state.pa.us/dgs/cwp/view.asp?a=353&Q=115573&dgsNav=%7C5053%7C> or contacting the:

Department of General Services
Office of Chief Counsel
603 North Office Building
Harrisburg, PA 17125
Telephone No. (717) 783-6472
FAX No. (717) 787-9138

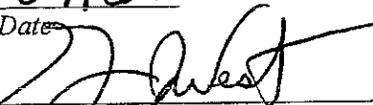
All Contractors (if a corporate entity both signatories to this Contract must execute) with the State System shall sign the certification below:

Contractor Responsibility Certification

I certify that I, the Contractor identified herein, am not currently debarred or suspended by the Commonwealth of Pennsylvania, and am eligible to contract with the Commonwealth of Pennsylvania for the goods and/or services contained in this contract.



Contractor/Vendor
8-14-07

Date


Contractor/Vendor
8/14/07
Date

President

Title

Treasurer

Title

ALL PARTIES WHO SIGN THIS CONTRACT ON BEHALF OF THE CONTRACTOR MUST SIGN THE STATEMENT ABOVE.

14. CONTRACTOR INTEGRITY.

a. For purposes of this clause only, the words "confidential information," "consent," "Contractor," "financial interest," and "gratuity" shall have the following definitions:

1) *Confidential information* means information that is not public knowledge, or available to the public on request, disclosure of which would give an unfair, unethical, or illegal advantage to another desiring to contract with the Commonwealth.

2) *Consent* means written permission signed by a duly authorized officer or employee of the Commonwealth, provided that where the material facts have been disclosed, in writing, by prequalification, bid, proposal, or contractual terms, the Commonwealth shall be deemed to have consented by virtue of execution of this agreement.

3) *Contractor* means the individual or entity that has entered into the Contract with the Commonwealth, including directors, officers, partners, managers, key employees and owners of more than a 5% interest.

4) *Financial Interest* means:

(a) Ownership of more than a 5% interest in any business; or

(b) Holding a position as an officer, director, trustee, partner, employee, or the like, or holding any position of management.

5) *Gratuity* means any payment of more than nominal monetary value in the form of cash, travel, entertainment, gifts, meals, lodging, loans, subscriptions, advances, deposits of money, services, employment, or contracts of any kind.

b. The Contractor shall maintain the highest standards of integrity in the performance of the Contract and shall take no action in violation of state or federal laws, regulations, or other requirements that govern contracting with the Commonwealth.

c. The Contractor shall not disclose to others any confidential information gained by virtue of the Contract.

d. The Contractor shall not, in connection with this or any other agreement with the Commonwealth, directly or indirectly, offer, confer, or agree to confer any pecuniary benefit on anyone as consideration for the decision, opinion, recommendation, vote, other exercise of discretion, or violation of a known legal duty by any officer or employee of the Commonwealth.

e. The Contractor shall not, in connection with this or any other agreement with the Commonwealth, directly or indirectly, offer, give, or agree to promise to give to

anyone any gratuity for the benefit of or at the direction or request of any officer or employee of the Commonwealth.

f. Except with the consent of the Commonwealth, neither the Contractor nor anyone in privity with him or her shall accept or agree to accept from, or give or agree to give to, any person, any gratuity from any person in connection with the performance of work under the Contract except as provided therein.

g. Except with the consent of the Commonwealth, the Contractor shall not have a financial interest in any other contractor, subcontractor, or supplier providing services, labor, or material on this project.

h. The Contractor, upon being informed that any violation of these provisions has occurred or may occur, shall immediately notify the Commonwealth in writing.

i. The Contractor, by execution of the Contract and by the submission of any bills or invoices for payment pursuant thereto, certifies and represents that he or she has not violated any of these provisions.

j. The Contractor, upon the inquiry or request of the Inspector General of the Commonwealth or any of that official's agents or representatives, shall provide, or if appropriate, make promptly available for inspection or copying, any information of any type or form deemed relevant by the Inspector General to the Contractor's integrity or responsibility, as those terms are defined by the Commonwealth's statutes, regulations, or management directives. Such information may include, but shall not be limited to, the Contractor's business or financial records, documents or files of any type or form which refers to or concern the Contract. Such information shall be retained by the Contractor for a period of three years beyond the termination of the Contract unless otherwise provided by law.

k. For violation of any of the above provisions, the Commonwealth may terminate this and any other agreement with the Contractor, claim liquidated damages in an amount equal to the value of anything received in breach of these provisions, claim damages for all expenses incurred in obtaining another Contractor to complete performance hereunder, and debar and suspend the Contractor from doing business with the Commonwealth. These rights and remedies are cumulative, and the use or nonuse of any one shall not preclude the use of all or any other. These rights and remedies are in addition to those the Commonwealth may have under law, statute, regulation, or otherwise.

15. AMERICANS WITH DISABILITIES ACT.

a. Pursuant to federal regulations promulgated under the authority of the Americans with Disabilities Act, 28 C.F.R. § 35.101, et seq., the Contractor understands and agrees that it shall not cause any individual with a disability to be excluded from participation in this Contract or from activities provided for under this Contract on the basis of the disability. As a condition of accepting this Contract, the Contractor agrees to comply with the "General Prohibitions Against Discrimination," 28 C.F.R. § 35.130, and all other regulations promulgated under Title II of the Americans with Disabilities Act

which are applicable to all benefits, services, programs, and activities provided by the Commonwealth of Pennsylvania through contracts with outside contractors.

b. The Contractor shall be responsible for and agrees to indemnify and hold harmless the Commonwealth of Pennsylvania from all losses, damages, expenses, claims, demands, suits and actions brought by any party against the Commonwealth of Pennsylvania as a result of the Contractor's failure to comply with the provisions of subparagraph (a) above.

16. ASSIGNABILITY AND SUBCONTRACTING.

a. Subject to the terms and conditions of Paragraph 21, this Contract shall be binding upon the parties and their respective successors and assigns.

b. The Contractor shall not subcontract with any person or entity to perform all or any part of the work to be performed under this Contract without the prior written consent of the Contracting Officer, which consent may be withheld at the sole and absolute discretion of the Contracting Officer.

c. The Contractor may not assign, in whole or in part, this Contract or its rights, duties, obligations, or responsibilities hereunder without the prior written consent of the Contracting Officer, which consent may be withheld at the sole and absolute discretion of the Contracting Officer.

d. Notwithstanding the foregoing, the Contractor may, without the consent of the Contracting Officer, assign its rights to payment to be received under the Contract, provided that the Contractor provides written notice of such assignment to the Contracting Officer together with a written acknowledgement from the assignee that any such payments are subject to all of the terms and conditions of this Contract.

e. For the purposes of this Contract, the term "assign" shall include, but shall not be limited to, the sale, gift, assignment, pledge, or other transfer of any ownership interest in the Contractor, provided, however, that the term shall not apply to the sale or other transfer of stock of a publicly traded company.

f. Any assignment consented to by the Contracting Officer shall be evidenced by a written assignment agreement executed by the Contractor and its assignee in which the assignee agrees to be legally bound by all of the terms and conditions of the Contract and to assume the duties, obligations, and responsibilities being assigned.

g. A change of name by the Contractor, following which the Contractor's federal identification number remains unchanged, shall not be considered to be an assignment hereunder. The Contractor shall give the Contracting Officer written notice of any such change of name.

17. NONDISCRIMINATION/SEXUAL HARASSMENT CLAUSE.

During the term of the Contract, Contractor agrees as follows:

a. In the hiring of any employees for the manufacture of supplies, performance of work, or any other activity required under the Contract or any subcontract, the Contractor, subcontractor or any person acting on behalf of the Contractor or subcontractor shall not by reason of gender, race, creed or color discriminate against any citizen of this Commonwealth who is qualified and available to perform the work to which the employment relates.

b. Neither the Contractor nor any subcontractor nor any person on their behalf shall in any manner discriminate against or intimidate any employee involved in the manufacture of supplies, the performance of work or any other activity required under the Contract on account of gender, race, creed or color.

c. Contractors and any subcontractors shall establish and maintain a written sexual harassment policy and shall inform their employees of the policy. The policy must contain a notice that sexual harassment will not be tolerated and employees who practice it will be disciplined.

d. The Contractor shall not discriminate by reason of gender, race, creed or color against any subcontractor or supplier who is qualified to perform the work to which the contract relates.

e. The Contractor and each subcontractor shall furnish all necessary employment documents and records to and permit access to its books, records, and accounts by the Contracting Officer and the Department of General Services' Bureau of Contract Administration and Business Development for purposes of investigation to ascertain compliance with the provisions of this Nondiscrimination/Sexual Harassment Clause. If the Contractor or any subcontractor does not possess documents or records reflecting the necessary information requested, it shall furnish such information on reporting forms supplied by the Contracting Officer or the Bureau of Contract Administration and Business Development.

f. The Contractor shall include the provisions of this Nondiscrimination/Sexual Harassment Clause in every subcontract so that such provisions will be binding upon each subcontractor.

g. The Commonwealth may cancel or terminate the Contract, and all money due or to become due under the Contract may be forfeited for a violation of the terms and conditions of this Nondiscrimination/Sexual Harassment Clause. In addition, the agency may proceed with debarment or suspension and may place the Contractor in the Contractor Responsibility File.

18. FORCE MAJEURE. Neither party will incur any liability to the other if its performance of any obligation under this Contract is prevented or delayed by causes beyond its control and without the fault or negligence of either party. Causes beyond a party's control may include, but are not limited to, acts of God or war, changes in controlling law, regulations, orders or the requirements of any governmental entity, severe weather conditions, civil disorders, natural disasters, fire, epidemics and quarantines, general strikes throughout the trade, and freight embargoes.

The Contractor shall notify the Commonwealth orally within five (5) days and in writing within ten (10) days of the date on which the Contractor becomes aware, or should have

reasonably become aware, that such cause would prevent or delay its performance. Such notification shall (i) describe fully such cause(s) and its effect on performance, (ii) state whether performance under the Contract is prevented or delayed, and (iii) if performance is delayed, state a reasonable estimate of the duration of the delay. The Contractor shall have the burden of proving that such cause(s) delayed or prevented its performance despite its diligent efforts to perform and shall produce such supporting documentation as the Commonwealth may reasonably request. After receipt of such notification, the Commonwealth may elect either to cancel the Contract or to extend the time for performance as reasonably necessary to compensate for the Contractor's delay.

In the event of a declared emergency by competent governmental authorities, the Commonwealth, by notice to the Contractor, may suspend all or a portion of the Contract.

19. DEFAULT.

a. The Commonwealth may, subject to the provisions of Paragraph 18, Force Majeure, and in addition to its other rights under the Contract, declare the Contractor in default by written notice thereof to the Contractor, and terminate (as provided in Paragraph 11, Termination of Agreement) the whole or any part of this Contract for any of the following reasons:

- 1) Failure to begin work within the time specified in the Contract or as otherwise specified;
- 2) Failure to perform the work with sufficient labor, equipment, or material to insure the completion of the specified work in accordance with the Contract terms;
- 3) Unsatisfactory performance of the work;
- 4) Failure or refusal to remove material, or remove and replace any work rejected as defective or unsatisfactory;
- 5) Discontinuance of work without approval;
- 6) Failure to resume work, which has been discontinued, within a reasonable time after notice to do so;
- 7) Insolvency or bankruptcy;
- 8) Assignment made for the benefit of creditors;
- 9) Failure or refusal within 10 days after written notice by the Contracting Officer, to make payment or show cause why payment should not be made, of any amounts due for materials furnished, labor supplied or performed, for equipment rentals, or for utility services rendered;
- 10) Failure to protect, to repair, or to make good any damage or injury to property; or

11) Breach of any provision of this Contract.

b. In the event that the Commonwealth terminates this Contract in whole or in part as provided in Subparagraph (a) above, the Commonwealth may procure, upon such terms and in such manner as it determines, services similar or identical to those so terminated, and the Contractor shall be liable to the Commonwealth for any reasonable excess costs for such similar or identical services included within the terminated part of the Contract.

c. If the Contract is terminated as provided in Subparagraph (a) above, the Commonwealth, in addition to any other rights provided in this paragraph, may require the Contractor to transfer title and deliver immediately to the Commonwealth in the manner and to the extent directed by the Issuing Office, such partially completed work, including, where applicable, reports, working papers, and other documentation, as the Contractor has specifically produced or specifically acquired for the performance of such part of the Contract as has been terminated. Except as provided below, payment for completed work accepted by the Commonwealth shall be at the Contract price. Except as provided below, payment for partially completed work including, where applicable, reports and working papers, delivered to and accepted by the Commonwealth shall be in an amount agreed upon by the Contractor and Contracting Officer. The Commonwealth may withhold from amounts otherwise due to the Contractor for such completed or partially completed works, such sums as the Contractor Officer determines to be necessary to protect the Commonwealth against loss.

d. The rights and remedies of the Commonwealth provided in this paragraph shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Contract.

e. The Commonwealth's failure to exercise any rights or remedies provided in this paragraph shall not be construed to be a waiver by the Commonwealth of its rights and remedies in regard to the event of default or any succeeding event of default.

f. Following exhaustion of the Contractor's administrative remedies as set forth in Paragraph 21, the Contractor's exclusive remedy shall be to seek damages in the Board of Claims.

20. HOLD HARMLESS PROVISION. The Contractor shall hold the Commonwealth harmless from and indemnify the Commonwealth against any and all claims, demands and actions based upon or arising out of any activities performed by the Contractor and its employees and agents under this Contract and shall, at the request of the Commonwealth, defend any and all actions brought against the Commonwealth based upon any such claims or demands.

21. CONTRACT CONTROVERSIES.

a. In the event of a controversy or claim arising from the Contract, the Contractor must, within six months after the cause of action accrues, file a written notice of controversy or claim with the Contracting Officer for a determination. The claim shall state all grounds upon which the Contractor asserts a controversy exists. If the Contractor fails to file a claim or files an untimely claim, the Contractor is deemed to have waived its right to assert a claim in any forum.

b. The contracting officer shall review timely filed claims and issue a final determination, in writing, regarding the claim. The final determination shall be issued within 120 days of the receipt of the claim, unless extended by consent of the Contracting Officer and the Contractor. The Contracting Officer shall send his/her written determination to the Contractor. If the Contracting Officer fails to issue a final determination within the 120 days (unless extended by consent of the Parties), the claim shall be deemed denied. The contracting officer's determination shall be the final order of the Purchasing Agency.

c. Within fifteen (15) days of the mailing date of the determination denying a claim or within 135 days of filing a claim if, no extension is agreed to by the parties, whichever occurs first, the Contractor may file a statement of claim with the Commonwealth Board of Claims. Pending a final judicial resolution of a controversy or claim, the Contractor shall proceed diligently with the performance of the Contract in a manner consistent with the determination of the Contracting Officer and the Commonwealth shall compensate the Contractor pursuant to the terms of the Contract.

22. AMENDMENTS. This Agreement represents the complete agreement between the parties, superceding any other prior or contemporaneous written or oral agreements. Any changes, corrections or additions to this Agreement shall be in writing in the form of a supplemental agreement signed by all necessary parties and setting forth therein the proposed change, correction or addition.

23. SEVERABILITY. Should any term of this Contract be rendered unlawful by a court of competent jurisdiction or any legislative act, then the parties shall give effect to the balance of the agreement to the extent possible.

24. APPLICABLE LAW. This Contract shall be governed by and interpreted and enforced in accordance with the laws of the Commonwealth of Pennsylvania (without regard to any conflict of laws provisions) and the decisions of the Pennsylvania courts. The Contractor consents to the jurisdiction of any court of the Commonwealth of Pennsylvania and any federal courts in Pennsylvania, waiving any claim or defense that such forum is not convenient or proper. The Contractor agrees that any such court shall have in personam jurisdiction over it, and consents to service of process in any manner authorized by Pennsylvania law.

25. INDEPENDENT CONTRACTOR... In performing the services required by the Contract, the Contractor will act as an independent Contractor and not as an employee or agent of the Commonwealth.

26. POST-CONSUMER RECYCLED CONTENT. Except as specifically waived by the Department of General Services in writing, any products which are provided to the Commonwealth as a part of the performance of the Contract must meet the minimum percentage levels for the total recycled content as specified in Exhibits A-1 through A-8 to this Contract.

27. ENVIRONMENTAL PROVISIONS. In the performance of the Contract, the Contractor shall minimize pollution and shall strictly comply with all applicable environmental laws and regulations.

28. HAZARDOUS SUBSTANCES. The Contractor shall provide information to the Commonwealth about the identity and hazards of hazardous substances supplied or used by the Contractor in the performance of the Contract. The Contractor must comply with Act 159 of October 5, 1984, known as the "Worker and Community Right to Know Act" (the "Act") and the regulations promulgated pursuant thereto at 4 Pa. Code § 301.1 et seq.

a. Labeling. The Contractor shall insure that each individual product (as well as the carton, container or package in which the product is shipped) of any of the following substances (as defined by the Act and the regulations) supplied by the Contractor is clearly labeled, tagged or marked with the information listed in Paragraph (1) through (4) below:

- 1) Hazardous substances:
 - a) The chemical name or common name,
 - b) A hazard warning, and
 - c) The name, address, and telephone number of the manufacturer.
- 2) Hazardous mixtures:
 - a) The common name, but if none exists, then the trade name,
 - b) The chemical or common name of special hazardous substances comprising .01% or more of the mixture,
 - c) The chemical or common name of hazardous substances consisting of 1.0% or more of the mixture,
 - d) A hazard warning, and
 - e) The name, address, and telephone number of the manufacturer.
- 3) Single Chemicals:
 - a) The chemical name or the common name,
 - b) A hazard warning, if appropriate, and
 - c) The name, address and telephone number of the manufacturer.
- 4) Chemical Mixtures:
 - a) The common name, but if none exists, then the trade name,
 - b) A hazard warning, if appropriate,
 - c) The name, address, and telephone number of the manufacturer, and
 - d) The chemical name or common name of either the top five substances by volume or those substances consisting of 5.0% or more of the mixture.

A common name or trade name may be used only if the use of the name more easily or readily identifies the true nature of the hazardous substance, hazardous mixture, single chemical, or mixture involved.

Container labels shall provide a warning as to the specific nature of the hazard arising from the substance in the container.

The hazard warning shall be given in conformity with one of the nationally recognized and accepted systems of providing warnings, and hazard warnings shall be consistent with one or more of the recognized systems throughout the workplace. Examples are:

- NFPA 704, identification of the Fire Hazards of Materials.
- National Paint and Coatings Association: Hazardous Materials Identification System.
- American Society for Testing and Materials, Safety Alert Pictorial Chart.
- American National Standard Institute, Inc., for the Precautionary

Labeling of Hazardous Industrial Chemicals.

Labels must be legible and prominently affixed to and displayed on the product and the carton, container, or package so that employees can easily identify the substance or mixture present therein.

b. **Material Safety Data Sheet.** The Contractor shall provide Material Safety Data Sheets (MSDS) with the information required by the Act and the regulations for each hazardous substance or hazardous mixture. The Commonwealth must be provided an appropriate MSDS with the initial shipment and with the first shipment after an MSDS is updated or product changed. For any other chemical, the Contractor shall provide an appropriate MSDS, if the manufacturer, importer, or supplier produces or possesses the MSDS. The Contractor shall also notify the Commonwealth when a substance or mixture is subject to the provisions of the Act. Material Safety Data Sheets may be attached to the carton, container, or package mailed to the Commonwealth at the time of shipment.

29. **WARRANTY.** The Contractor warrants that all services performed by the Contractor, its agents and subcontractors shall be free and clear of any defects in workmanship or materials. Unless otherwise stated in the Contract, all services and parts are warranted for a period of one year following completion of performance by the Contractor and acceptance by the Commonwealth. The Contractor shall correct any problem with the service and/or replace any defective part with a part of equivalent or superior quality without any additional cost to the Commonwealth.

30. **COMPLIANCE WITH LAW.** The Contractor shall comply with all applicable federal and state laws and regulations and local ordinances in the performance of the Contract.

31. **INTEGRATION.** The Contract, including all referenced documents, constitutes the entire agreement between the parties. No agent, representative, employee or officer of either the Commonwealth or the Contractor has the authority to make, or has made, any statement, agreement or representation, oral or written, in connection with the Contract, which in any way can be deemed to modify, add to or detract from, or otherwise change or alter its terms and conditions. No negotiations between the parties, nor any custom or usage, shall be permitted to modify or contradict any of the terms and conditions of the Contract. No modifications, alterations, changes, or waiver to the Contract or any of its terms shall be valid or binding unless accomplished by a written amendment signed by both parties. All such amendments shall be made using the appropriate Commonwealth form.

32. **PATENT, COPYRIGHT AND TRADEMARK INDEMNITY.** The Contractor warrants that it is the sole owner or author of, or has entered into a suitable legal agreement concerning either: a) the design of any product or process provided or used in the performance of

the Contract which is covered by a patent, copyright, or trademark registration or other right duly authorized by state or federal law or b) any copyrighted matter in any report document or other material provided to the commonwealth under the contract. The Contractor shall defend any suit or proceeding brought against the Commonwealth on account of any alleged patent, copyright or trademark infringement in the United States of any of the products provided or used in the performance of the Contract. This is upon condition that the Commonwealth shall provide prompt notification in writing of such suit or proceeding; full right, authorization and opportunity to conduct the defense thereof; and full information and all reasonable cooperation for the defense of same. As principles of governmental or public law are involved, the Commonwealth may participate in or choose to conduct, in its sole discretion, the defense of any such action. If information and assistance are furnished by the Commonwealth at the Contractor's written request, it shall be at the Contractor's expense, but the responsibility for such expense shall be only that within the Contractor's written authorization. The Contractor shall indemnify and hold the Commonwealth harmless from all damages, costs, and expenses, including attorney's fees that the Contractor or the Commonwealth may pay or incur by reason of any infringement or violation of the rights occurring to any holder of copyright, trademark, or patent interests and rights in any products provided or used in the performance of the Contract. If any of the products provided by the Contractor in such suit or proceeding are held to constitute infringement and the use is enjoined, the Contractor shall, at its own expense and at its option, either procure the right to continue use of such infringement products, replace them with non-infringement equal performance products or modify them so that they are no longer infringing. If the Contractor is unable to do any of the preceding, the Contractor agrees to remove all the equipment or software which are obtained contemporaneously with the infringing product, or, at the option of the Commonwealth, only those items of equipment or software which are held to be infringing, and to pay the Commonwealth: 1) any amounts paid by the Commonwealth towards the purchase of the product, less straight line depreciation; 2) any license fee paid by the Commonwealth for the use of any software, less an amount for the period of usage; and 3) the pro rata portion of any maintenance fee representing the time remaining in any period of maintenance paid for. The obligations of the Contractor under this paragraph continue without time limit. No costs or expenses shall be incurred for the account of the Contractor without its written consent.

33. COVENANT AGAINST CONTINGENT FEES. The Contractor warrants that no person or selling agency has been employed or retained to solicit or secure the Contract upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee, except bona fide employees or bona fide established commercial or selling agencies maintained by the Contractor for the purpose of securing business. For breach or violation of this warranty, the Commonwealth shall have the right to terminate the Contract without liability or in its discretion to deduct from the Contract price or consideration, or otherwise recover the full amount of such commission, percentage, brokerage, or contingent fee.

34. CHANGE ORDERS. The Commonwealth reserves the right to issue change orders at any time during the term of the Contract or any renewals or extensions thereof: 1) to increase or decrease the quantities resulting from variations between any estimated quantities in the Contract and actual quantities; 2) to make changes to the services within the scope of the Contract; 3) to notify the Contractor that the Commonwealth is exercising any Contract renewal or extension option; or 4) to modify the time of performance that does not alter the scope of the Contract to extend the completion date beyond the Expiration Date of the Contract or any renewals or extensions thereof. Any such change order shall be in writing signed by the Contracting Officer. The change order shall be effective as of the date appearing on the change order, unless the change order specifies a later effective date. Such increases, decreases, changes, or modifications will not invalidate the Contract, nor, if performance security is being furnished

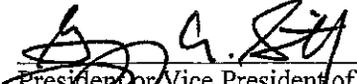
in conjunction with the Contract, release the security obligation. The Contractor agrees to provide the service in accordance with the change order. Any dispute by the Contractor in regard to the performance required under any change order shall be handled through Paragraph 21, "Contract Controversies". For purposes of this Contract, "change order" is defined as a written order signed by the Contracting Officer directing the Contractor to make changes authorized under this clause.

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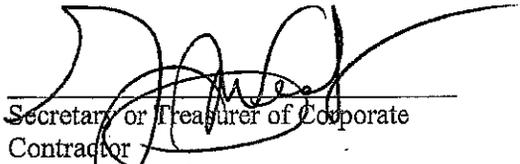
IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed pursuant to due and legal action authorizing the same to be done the date first written above.

FOR THE CONTRACTOR:

Individual or Partner (if Contractor
Is an individual or partnership)

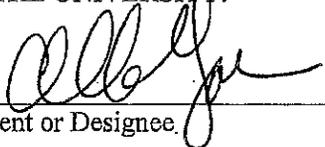


President or Vice President of
Corporate Contractor
(Circle Title)



Secretary or Treasurer of Corporate
Contractor
(Circle Title)

FOR THE UNIVERSITY:



President or Designee.

APPROVED AS TO FISCAL
RESPONSIBILITY, BUDGETARY
APPROPRIATENESS AND
AVAILABILITY OF FUNDS

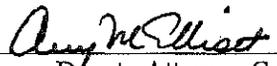


Comptroller

APPROVED AS TO FORM AND LEGALITY



University Legal Counsel



Deputy Attorney General

Note regarding signatures above. If a corporation, two signatures are required, one being the President or Vice President, the second being the Secretary or Treasurer. Signatory authority of either signatures can be delegated provided there is a certified Board resolution presented with this contract.

EFFECTIVE DATE OF CONTRACT
SEP 04 2007

ALL SIGNATORIES ON BEHALF OF CONTRACTOR MUST EXECUTE CONTRACTOR RESPONSIBILITY CERTIFICATION IN PARAGRAPH 13(f) OF THIS CONTRACT.