



Motion No. M2019-38

Revised Interlocal Cooperation Agreement for Implementation, Operation and Maintenance of the ORCA System

Meeting:	Date:	Type of action:	Staff contact:
Board	04/25/2019	Final action	Tracy Butler, Chief Financial Officer Lisa Wolterink, Director – Fares and Grants

Proposed action

Authorizes the chief executive officer to execute a revised Interlocal Cooperation Agreement for Implementation, Operation and Maintenance of the ORCA System.

Key features summary

- The Sound Transit Board approved the Interlocal Cooperation Agreement for Implementation, Operation and Maintenance of the ORCA System (ORCA ILA) in November 2018 through Motion No. M2018-140. Prior to execution of the agreement by all partners, revisions were requested by a partner agency, resulting in this revised agreement. Revisions include:
 - Clarifying who will participate in the Regional ORCA Operations Team (ROOT) to include members of the regional ORCA Project Team;
 - Dividing the indemnification section into two so there is one for Regional Service Providers and one for the agency responsible for centralized regional management, operations and administration of the ORCA system (the ROOT Agency).
 - Adding ROOT Agency insurance requirements and minimums which may be modified under the Joint Board authority.
- The revised Interlocal Cooperation Agreement for Implementation, Operation and Maintenance of the ORCA System (ORCA ILA) shall remain in effect unless terminated in accordance with the provisions of the ORCA ILA.

Background

In April 2003, Everett Transit, Community Transit, King County Metro, Kitsap Transit, Pierce Transit, Sound Transit, and Washington State Ferries approved the initial Interlocal Cooperation Agreement for Design, Implementation, Operation and Maintenance of the Regional Fare Coordination System (legacy ILA) to implement a regional non-cash fare collection system.

The agreement is pursuant to the Interlocal Cooperation Act, chapter 39.34 RCW, and allows the agencies to jointly exercise their powers to better coordinate their respective services and fare payments systems in order to improve the availability, reliability and convenience of public transportation services within their service areas and throughout the region served by the agencies.

The agencies jointly conducted a procurement process and selected a vendor (Vix Technology) to design, implement, operate and maintain the regional fare collection (RFC) System. The participating agencies adopted the name “One Regional Card for All” or ORCA to describe this regional fare collection system.

In April 2009, the ORCA agencies amended the 2003 agreement prior to the implementation of the ORCA System to reaffirm their commitment to regional cooperation and support of the ORCA System.

Due to both the age of the ORCA System and the upcoming end of the legacy ORCA vendor contract, in 2015 the ORCA agencies developed a strategy and started the planning process for the creation of the replacement system. The planning phase of the program is now complete, and the procurement phase is well underway for multiple contracts within the next generation program. The next generation ORCA Systems Integrator contract with INIT was executed on October 2, 2018. With the original ILA linked to the legacy ORCA vendor, the participating agencies saw a need to establish the new ORCA ILA to update the terms under which the agencies will plan and implement activities necessary to transition from legacy ORCA and to operate the next generation ORCA System.

In September 2018, the ORCA Joint Board approved the ORCA ILA which will be in effect concurrently with the legacy ILA. The legacy ILA will expire once the Legacy ORCA vendor contract is terminated. In the event of a dispute, the Joint Board will determine which Interlocal Agreement takes precedent.

The purpose of the agreement approved by the Board in 2018 is to establish the terms under which the ORCA agencies will plan and implement activities necessary to transition from legacy ORCA and will operate the next generation ORCA System. It also paves the way for approval of the vendor contracts that will follow. The agreement increases the oversight of the ORCA Director who is responsible for the centrally managed Regional ORCA Operations Team and provides the Joint Board with the authority to adopt and amend security policies and add new third parties. The agreement, among other things, establishes the framework for the centralized Regional ORCA Operations Team (ROOT) and Regional Service Providers, the respective roles and responsibilities of the agencies, the Systems Integrator (SI) and other ORCA Vendor contractors, the allocation of revenue collected utilizing the ORCA System, and the Agencies' commitments to fund their own and the regionally-shared costs to develop, operate, maintain and update the ORCA System.

Revisions to the agreement were proposed by an ORCA partner agency before Sound Transit signed the agreement. The revised agreement was approved by the ORCA Joint Board on April 19, 2019. Board approval of this action will authorize the CEO to sign the revised Interlocal Cooperation Agreement for Implementation, Operation and Maintenance of the ORCA System.

Fare policy remains an agency responsibility.

Fiscal information

This action contains no specific budget or financial impact to Sound Transit and continues the financial policies from the previous ORCA interlocal agreement. Accordingly, there are no changes to the financial responsibilities to the agency. This action confirms the commitment of the agency to fund the regionally-shared costs to develop, operate, maintain and update the ORCA System and the responsibility of each member agency of the interlocal agreement to fund their own projects.

Sound Transit includes funding for the capital portion of the ORCA system through the Fare Administration and ORCA Next Generation projects which are in the 2018 Adopted Transportation Improvement Plan (TIP) and the 2019 Financial Plan and Proposed Budget. Funding for the operational portion of the ORCA system is in the Finance department budget and is submitted to the Board for adoption via the annual budget development process.

Public involvement

Not applicable to this action.

Time constraints

A one-month delay would create a significant impact to the project schedule.

Prior Board/Committee actions

Motion No M2018-140: Authorized the chief executive officer to execute the Interlocal Cooperation Agreement For Implementation, Operation and Maintenance of the ORCA System.

Motion No M2009-16: Authorized the chief executive officer to execute a restated and amended interlocal agreement for the Smart Card project with Community Transit, Everett Transit, Kitsap Transit, King County Metro Transit, Pierce Transit, and Washington State Ferries to update the agreement for the operating phase.

Environmental review – KH 4/19/19

Legal review – AJP 4/19/19



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A motion of the Board of the Central Puget Sound Regional Transit Authority authorizing the chief executive officer to execute a revised Interlocal Cooperation Agreement for Implementation, Operation and Maintenance of the ORCA System.

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The agreement is pursuant to the Interlocal Cooperation Act, chapter 39.34 RCW, and allows the agencies to jointly exercise their powers to better coordinate their respective services and fare payments systems in order to improve the availability, reliability and convenience of public transportation services within their service areas and throughout the region served by the agencies.

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The revised agreement was approved by the ORCA Joint Board on April 19, 2019. Board approval of this action will authorize the CEO to sign the revised Interlocal Cooperation Agreement for Implementation, Operation and Maintenance of the ORCA System.

The revised Interlocal Cooperation Agreement for Implementation, Operation and Maintenance of the ORCA System (ORCA ILA) shall remain in effect unless terminated in accordance with the provisions of the ORCA ILA. Fare policy remains an agency responsibility.

Motion

It is hereby moved by the Board of the Central Puget Sound Regional Transit Authority that the chief executive officer is authorized to execute a revised Interlocal Cooperation Agreement for Implementation, Operation and Maintenance of the ORCA System.

APPROVED by the Board of the Central Puget Sound Regional Transit Authority at a regular meeting thereof held on April 25, 2019.



Paul Roberts
Board Vice Chair

Attest:



Kathryn Flores
Board Administrator