

**Amended and Restated Interlocal Cooperation Agreement for
Design, Implementation, Operation and Maintenance of the
Regional Fare Coordination System**

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conditions of the RFC Contract and take all necessary and appropriate actions to fulfill all responsibilities, whether described in this Agreement or in the RFC Contract. In the event that the Agency believes that there is a conflict between its responsibilities described in this Agreement and those in the RFC Contract, the Agency shall bring said conflict to the attention of the Contract Administrator or ORCA Operations Manager and the Regional Program Administrator. In the event the matter is not resolved, it shall be referred to the Joint Board for resolution. The Agency shall abide by the decision of the Joint Board.

4.3 Agencies Serving as Lead Agencies.

4.3.1 Agreements with Business Accounts. An Agency may act as a Business Account Lead Agency or a Participating Agency in Business Account Agreements that are subject to the participation requirements, pricing methodologies and revenue distribution provisions specified in Exhibit E-3. The standard terms of Business Account agreements shall be subject to approval by the Joint Board. The responsibilities of the Business Account Lead Agency and Participating Agencies, and the designation of an Agency as a Business Account Lead Agency, shall be established by agreement of the Agencies and subject to business rules adopted by the Joint Board.

4.3.2 Agreements with Retail Revalue Entities. An Agency may act as a Retail Revalue Entity Lead Agency in agreements with Retail Revalue Entities, the terms of which shall be subject to approval by the Joint Board. The responsibilities of Retail Revalue Entity Lead Agency, and the designation of an Agency as a Retail Revalue Entity Lead Agency, shall be established by agreement of the Agencies and subject to business rules adopted by the Joint Board.

5.0 JOINT BOARD

5.1 Creation of Joint Board. By executing this Agreement, the Agencies hereby create a Joint Board, which shall function as a joint board pursuant to chapter 39.34 RCW. The Joint Board shall serve as the governing, policy-setting body to oversee the activities of the Agencies, RFC Contractor and Joint Consultants related to the design, implementation, operation, and maintenance of the RFC Project, as provided in this Agreement. The Joint Board shall act on behalf of all Agencies and as may be in the best interests of the RFC Project.

5.2 Joint Board Members; Quorum. Membership on the Joint Board shall consist of the following Agency officials, which representative shall be authorized to take actions within the scope of this Agreement: King County's Transit General Manager; Community Transit's Chief Executive Officer; Sound Transit's Chief Executive Officer; Kitsap Transit's Executive Director; Pierce Transit's Chief Executive Officer; Everett's Director of Transportation Services; and Washington State Department of Transportation's Assistant Secretary for Ferries' Division. In addition, an Agency may select an alternate representative to participate on the Joint Board during the absence or inability of the designated official to participate. A quorum for a meeting of the Joint Board shall be a majority of the representatives of the Agencies.

5.3 Meeting Procedures. The Joint Board shall establish procedures for the operations and meetings of the Joint Board, including the election of a chair, vice chair, and other positions deemed necessary by the Joint Board and the frequency of meetings. The terms of office of the chair and other positions shall be determined by the Joint Board. The vice chair shall serve as acting chair if the chair is absent or otherwise unavailable. Each Joint Board representative shall be entitled to one vote. Voting by proxy may be permitted according to procedures

9.3 Security Documents. The Agencies agree that King County shall be named as the sole beneficiary on any Security Documents as defined in and provided by the Contractor under the RFC Contract. In the event King County makes a draw on a Security Document in accordance with the RFC Contract, it shall hold the proceeds for allocation among the Agencies in accordance with the Joint Board's direction. The proceeds shall be allocated among the Agencies according to each Agency's proportionate share of the total damages or costs for which the Security Document draw is made.

9.4 Retainage. If a retainage account is created during the Development Phase in place of a Security Document, the Agencies authorize the Fiscal Agent to manage the retainage account in the manner provided by Section 80.6 of the RFC Contract. In the event the Joint Board authorizes a withdrawal of funds from the retainage account, the Fiscal Agent shall transfer the funds to the Central Payment Account for allocation among the Agencies in accordance with the Joint Board's direction. The proceeds shall be allocated among the Agencies according to each Agency's proportionate share of the total damages or costs for which the withdrawal is made.

9.5 Business Account Lead Agencies. Except for purchases of ORCA Cards and ORCA Products using an on-line credit card transaction, a Business Account is required to make payment to the Lead Agency with which it has entered into a Business Account agreement and the Business Account Lead Agency is responsible for collecting such payments in compliance with established settlement rules.

9.6 Retail Revalue Lead Agencies. A Retail Revalue Lead Agency is required to place funds in an account that are sufficient for daily ACH transfers by the ORCA System. If there is a failure to obtain sufficient funds from a Retail Revalue Entity's account, the Fiscal Agent shall notify that entity's Lead Agency and initiate an Automated Clearinghouse (ACH) transaction, via manual adjustment, to pull funds from the Lead Agency's settlement account in order to make the applicable ORCA Account whole. The Retail Revalue Lead Agency shall be responsible for collecting from the Retail Revalue Entity. In the event a Regional Retail Revalue Entity defaults on its obligation to pay the Retail Revalue Lead Agency, the cost of this default will be shared by all Agencies. The amount owed by each Agency will be determined by the current (at the time the account is declared to be in default) regional operating cost-sharing percentage, as calculated under Exhibit D-1; and the Fiscal Agent will follow the procedures in Exhibit F-1 in allocating the amount of the deficiency among all the Agencies.

9.7 Transition Phase.

9.7.1 The Transition Phase shall commence on January 1, 2009 and end at Full System Acceptance.

9.7.2 Both the RFC Budget and the ORCA Budget will be in effect during the Transition Phase. In the event that there is a question as to which budget applies to a given cost, the Joint Board will make the determination.

10.0 FARE REVENUE

10.1 Revenue Apportionment. All revenue received from the sale of ORCA Products will be distributed from ORCA Accounts held by the Fiscal Agent in accordance with the following:

10.1.1 Revenue received from the sale of products usable only on a single Agency's transportation service shall be remitted to that Agency.

10.1.2 Revenue received from the sale of E-Purse value will be deposited to the E-Purse Float Account held by the Fiscal Agent on behalf of the Agencies and shall be distributed to each Agency according to the use made of said E-Purse value for payment of fare for travel on each Agency's transportation services, as described in Exhibit E-1.

10.1.3 Revenue received from the sale of regional pass products valid on multiple Agencies shall be distributed among those participating Agencies in proportion to the total value of the transportation services used on each Agency during the pass validity period, as described in Exhibit E-2.

10.1.4 Revenue received from the sale of Business Right-to-Ride (also referred to as "Business Passport") products which are valid on multiple Agencies shall be distributed among those Agencies based on the pricing methodology selected by the business entity contracting for transit services. Methodologies available for Business Account pricing are described in Exhibit E-3.

10.1.5 An Agency may submit a claim for fare revenue not distributed to it through the revenue apportionment process. A claim shall state the reason the Agency believes it is entitled to the revenue claimed and shall be supported by documentation. All claims will be reviewed by a fares or other committee established by the Joint Board, which shall make a recommendation to the Joint Board. If a claim is approved by the Joint Board, it is forwarded to the Fiscal Agent for action as outlined in Exhibit F. While funds will generally come from unsettled gap transactions posted to the Participant Claims Account, a claim may result in a reallocation of fare revenue among the Agencies.

10.2 Funds Settlement.

10.2.1 Each Agency shall establish a Zero Balance Settlement Account pursuant to Section 4.0. Each Agency shall establish an automated clearinghouse (ACH) authorization with its own bank to allow the transfer of funds to and from each Agency's Settlement Account and the ORCA Accounts held by the Fiscal Agent, and authorize the Contractor to initiate daily net settlements between the various Agency accounts and the ORCA Accounts pursuant to Section 4.0. Agencies shall designate the bank accounts that will be used in the net settlement process, and establish the ACH authorization as outlined in Section 7 of this Agreement.

10.2.2 The Agencies acknowledge that the Contractor will use a net daily settlement process to simplify and reduce the number of transfers necessary to accomplish reconciliation.

10.2.2.1 Revenue received from the sale of ORCA Products at Agency locations, using website transactions, and using Agency devices will be removed from the Agency Settlement Account approximately three (3) days after sales are made.

10.2.2.2 Revenues received from sales of pass products will be distributed to the Agencies' bank accounts approximately thirty (30) days after the end of the month in which the pass was valid.

10.2.2.3 Revenues received from sales of E-Purse will be distributed to the Agencies' bank accounts approximately three (3) days after the value was used for fare payment.

Exhibit E-3 Business Account Agreements, Participation Requirements, Pricing and Revenue Distribution

Business Account detailed methodology describing products, pricing and revenue allocation for Business Accounts is defined in Common Institutional Program Requirements (DR 2) and as agreed by the Joint Board.

1.0 Types of Business Account Agreements

1.1. Business Account "Choice" Agreements. A Business Account may elect to purchase retail ORCA Products available to any customer. The Business Account would have the opportunity to revise the type and quantity of products purchased each month and to purchase non-ORCA products through a Lead Agency. Business Choice Agreements are entered into and managed by a Lead Agency acting on behalf of all Agencies.

1.2 Business Account "Passport" Agreements. A Business Account may elect, subject to approval or qualification under the established program requirements, to purchase transportation benefits for its employees or other participants in the form of an unlimited travel pass, and non-ORCA products under an agreement with a Lead Agency. Passport Agreements are entered into and managed by a Lead Agency acting on behalf of Participating Agencies named in the agreement. The program requirements for such Passport Agreements are set forth below.

1.2.1 Passport Agreement Requirements

Policy	Passport/FlatRate	Passport/ParTrip
Business Account Size Eligibility	Business Account must have more than 20 participants, with the exception of state designated Growth and Transportation Efficiency Centers, where the Business Account must have at least 5 participants.	Business Account must have a minimum of 20 participants, with the exception of state designated Growth and Transportation Efficiency Centers, where the Business Account must have at least 5 participants.
Eligible Employee Population	Business Accounts who have employees as participants must purchase for all benefits-eligible employees. (Third shift is an acceptable exception.)	Business Accounts who have employees as participants must purchase for all benefits-eligible employees.
Non-ORCA Products	Business Accounts may be provided a package of supporting products as determined by the Lead Agency which may include vanpool, guaranteed ride home, etc.	Business Accounts may be provided a package of supporting products as determined by the Lead Agency which may include vanpool, guaranteed ride home, etc.

Administration Fee	Each Lead Agency can charge an administration fee at its discretion to cover administrative costs associated with the program.	Each Lead Agency can charge an administration fee at its discretion to cover administrative costs associated with the program.	
Pricing Data – Year 1 (ORCA Transition Period and New Customers)	Commute Trip Reduction Survey (CTRS) data for specific site. If CTRS data are unavailable for a specific site, then use CTRS data grouped by geographic area or closely located work site for pricing.	ORCA System data.	
Pricing Data – Post-Transition	ORCA System data, once sufficient data are available (minimum of 6 months).	ORCA System data.	
Pricing Adjustments	Reviewed and adjusted as necessary twice per year in March and September.	As fare changes are implemented by the Agencies, revised pricing will be triggered for Business Accounts.	

1.2.2 Regular Fixed-Route Transit Service

The transit prices specified in Passport Agreements reflect only products that are valid on each Participating Agency's regular fixed route transportation system. Special event services are not covered by these Agreements.

1.2.3 Washington State Ferries

The Washington State Ferries will not be a Participating Agency for Passport Flat Rate products. WSF will only be a Participating Agency in Passport Per Trip Agreements which use actual ridership and actual fares to determine the amount paid by the Business Account. No discounts will be included for trips taken on the Washington State Ferry service.

1.2.4 Sale of Non-ORCA Products

Non-ORCA products may be included in a Business Account Agreement, subject to concurrence by the Participating Agencies covered in that Business Account Agreement.

2.0 ORCA Product Pricing

2.1. Business Account "Choice" Agreements. The pricing for these agreements will be the sum of the prices of the retail products purchased by the Business Account.

2.2 Business Account "Passport" Agreements.

2.2.1 Passport Flat Rate

A regional pricing methodology for the Passport Flat Rate product, as agreed to by the Joint Board, includes the following key elements:

Year 1: ORCA Transition Period and New Customers

- a. The total number of annual transit trips for a Passport Flat Rate customer shall be estimated using the transit mode share from the most recent Commute Trip Reduction survey (CTRS) for that site, (If CTRS data are unavailable for a specific site, then CTRS data grouped by geographic area or closely located work site will be used for pricing.)
- b. The total number of annual transit trips shall be apportioned by Participating Agency based on the share of total transit trips for each transit agency from the CTRS. If appropriate, a Participating Agency may propose applying a growth rate to adjust its estimated annual transit trips. All such adjustments must be approved by all Participating Agencies.
- c. The total annual transit fare value for each Participating Agency shall be estimated by multiplying the number of total number of annual transit trips for each Participating Agency by the average weighted trip value specified by each Participating Agency.
- d. The total annual transit cost for a Passport Flat Rate customer shall be the sum of total annual transit fare values for all Participating Agencies.

Post Transition for Existing Customers

- a. The total and per Agency number and fare value of annual transit trips for a Passport Flat Rate customer shall be estimated using the most recent ORCA data available for that customer.
- b. If appropriate, a Participating Agency may propose applying a growth rate to adjust its estimated annual transit trips. All such adjustments must be approved by all Participating Agencies.
- c. The total annual transit cost for a Passport Flat Rate customer shall be the sum of total annual transit fare values for all Participating Agencies.

2.2.2 Passport Per Trip

The cost of trips for a Passport Per Trip customer each month will be the total value of trips taken on Participating Agencies based on actual ORCA trip data for that month. The total value of trips for each Participating Agency will be the sum of the fare values for each trip taken on that Agency, less any interagency transfer discounts as described for E-Purse allocation in Exhibit E-1.

2.2.3 Non-ORCA Products

The cost of Non-ORCA products shall be as established in the Business Account Agreement for each customer, subject to concurrence by the Participating Agencies covered in that Business Account Agreement

3.0 Revenue Allocation

3.1 Business Choice and Passport Products:

The distribution of revenue to each Participating Agency from ORCA Products sold within a Business Account Agreement will occur through the appropriate ORCA Accounts based on Joint Board-approved business rules and payment due dates established for each Business Account Agreement.

3.1.1 Business Choice Accounts

Revenue allocation for E-Purse and ORCA pass products shall be as outlined in Exhibits E-1 and E-2.

3.1.2 Passport Products

3.1.2.1 Passport Flat Rate

Each Participating Agency shall receive its total annual transit fare value for each Passport Flat Rate customer as described in 2.2.1 above.

3.1.2.2 Passport Per Trip

Each Participating Agency shall receive the total value of trips for each Passport Per Trip customer as described in 2.2.2 above.

3.2 Non-ORCA Products

The distribution of revenue to each Participating Agency from non-ORCA Products sold within a Business Account Agreement will be as established in the Business Account Agreement for each customer, subject to concurrence by the Participating Agencies covered in that Business Account Agreement.