

**Joint Board Meeting
April 9, 2018**

Action item: Approve selection and execution of the next generation ORCA Program Retail Network Services Provider Contract with Ready Credit Corporation by Sound Transit and authorize reimbursement to Sound Transit for costs incurred under the consultant contract.

The Joint Board’s authorization of this action is contingent upon complete execution of the ORCA System Interlocal Agreement.

Purpose: To authorize Sound Transit to execute the next generation ORCA Program Retail Network Services Provider Contract with Ready Credit Corporation who will provide a network of retail merchants for the distribution of contactless smart card fare payment media and the loading of value associated with transit accounts. The base term of the contract is ten years, with five additional one-year options to extend.

Budget: Each ORCA agency is obligated to reimburse Sound Transit, on a monthly basis as costs are incurred, for their share of the project costs relating to this action.

Development costs cover the complete network design, integrations and retail development for the next generation ORCA retail network.

Operating cost for revalue and card commissions are to be paid to Ready Credit Corporation based on a 5.5% commission for each value loaded transaction and a \$1.25 commission for each card sold. Operating costs will not start until the next gen ORCA system is operational in 2022.

In the table below, the costs for the Contract Years include three years in development and seven years in operations (starting in 2022). The Option Years include five additional one-year options to extend.

	Contract Years	Option Years	NTE Total	Contingency	NTE Total with Contingency
Development	\$ 196,000.00		\$ 196,000.00	\$ 39,200.00	\$ 235,200.00
Revalue Commission	\$ 6,951,605.11	\$ 6,158,064.81	\$ 13,109,669.92	\$ 2,621,933.98	\$ 15,731,603.90
Card Commission	\$ 992,550.00	\$ 576,715.42	\$ 1,569,265.42	\$ 313,853.08	\$ 1,883,118.50
NTE	\$ 8,140,155.11	\$ 6,734,780.23	\$ 14,874,935.34	\$ 2,974,987.07	\$ 17,849,922.41

Capital Shares

Development expenditures in 2018 through 2022 will be allocated under the next generation ORCA capital shares formula, adopted by the Joint Board in August 2016.

	CT	ET	KCM	KT	PT	ST	WSF
2018-22 next gen Capital Shares	7.3%	0.8%	57.8%	2.1%	4.4%	26.9%	0.7%

Operating Shares

Each agencies’ annual share of the commission costs will be paid per the operating shares in effect for that year.

Recommendation: The ORCA Steering Committee recommends approval of the next generation ORCA Retail Network Services Provider Contract, contingent upon execution of the ORCA System Interlocal Agreement.