



# Draft 2022 Regional ORCA Operating Budget

**ORCA Joint Board**

May 10, 2021

# Agenda

- Assumptions
- Summary
- Legacy ORCA
- next gen ORCA
  - Regional Services
  - Professional Services
  - Materials and Software
- Contingency
- Items under development

# 2022 Budget Assumptions



- Transition to the next gen ORCA system will begin Q1 2022
- Both Legacy and next gen systems are operational and require parallel support during the transition period
- Ridership recovery from COVID is in process
- Year one of the new system operation carries a higher degree of uncertainty surrounding both customer channel usage and anticipated support services

# 2022 Budget Summary



	2021 Adopted Budget	2022 Proposed Budget	2021 Adopted Compared to 2022 Proposed	% Change
Legacy (Regional) ORCA Operations Subtotal	\$8,735,056	\$8,742,905	\$7,849	0.1%
Legacy Agency-Specific	\$634,434	\$0	(\$634,434)	-100.0%
Total Legacy ORCA Operating Expenses	\$9,369,490	\$8,742,905	(\$626,585)	-6.7%
next gen (Regional) ORCA Operations	\$3,985,087	\$11,657,508	\$7,672,421	192.5%
Contingency	\$1,272,014	\$1,165,751	(\$106,264)	-8.4%
Total Regional Operations Expenses	\$13,992,157	\$21,566,164	\$7,574,007	54.1%

# 2022 Legacy ORCA Operations



Legacy budget expenses include staffing expenses related to regional program administration and finance, Vix 2022 contract extension, Regional Mail Center and the legacy retail network.

	2021 Adopted Budget	2022 Proposed Budget	2021 Adopted Compared to 2022 Proposed	% Change
Regional Services (ST)	\$1,157,076	\$722,630	(\$434,447)	-37.5%
Regional Services (KCM)	\$3,525,974	\$243,036	(\$3,282,939)	-93.1%
Vix Maint. & Services	\$3,802,005	\$7,712,256	\$3,910,251	102.8%
Retail Network	\$250,000	\$64,984	(\$185,016)	-74.0%
Legacy (Regional) ORCA Operations Subtotal	\$8,735,056	\$8,742,905	\$7,849	0.1%

# 2022 next gen ORCA



	2021 Adopted Budget	2022 Proposed Budget	2021 Adopted vs 2022 Proposed	% Change
<b>Regional Services</b>				
ROOT Operations	1,562,474	2,575,618	1,013,143	64.8%
ST Admin Host	468,742	895,335	426,593	91.0%
KCM Admin Card Mgmt	-	409,061	409,061	
ST VM O&M	-	1,402,629	1,402,629	
<b>Professional Services</b>				
SI O&M	547,698	963,921	416,223	76.0%
DARe O&M	709,172	848,070	138,898	19.6%
Financial Services	517,000	1,936,407	1,419,406	274.5%
Other Services	160,000	778,500	618,500	386.6%
Retail Network	-	356,467	356,467	
<b>Materials and Software</b>				
Fare Media	-	1,323,481	1,323,481	
Other Materials and Software	20,000	168,020	148,020	740.1%
<b>next gen (Regional) ORCA Operations</b>	<b>3,985,087</b>	<b>11,657,508</b>	<b>7,672,421</b>	<b>192.5%</b>

# What's included in Regional Services?



- ROOT Operations
  - Salaries, benefits, and training for operations-focused staff of 15
- ST Admin Host
  - Administrative services such as Rent, Facilities, Finance, Human Resources, Procurement and Contracts, Legal, and Information Technology
- KCM Admin Card Management
  - Regional Mail Center and Regional Inventory Distribution Center services
- ST Vending Machine O&M
  - Vending machine maintenance services provided by Sound Transit, spare parts, paper stock, and armored car revenue services

	<b>2022 Proposed Budget</b>
<b>Regional Services</b>	
ROOT Operations	2,575,618
ST Admin Host	895,335
KCM Admin Card Mgmt	409,061
ST VM O&M	1,402,629

# What's included in Professional Services?



- SI O&M
  - System operations and maintenance provided by the Systems Integrator, INIT
- DARE O&M
  - Expenses of operating the Data Access and Reporting platform that houses all legacy and next gen ORCA data
- Financial Services
  - Credit card transaction fees, banking fees, and financial audit fees
- Other Services
  - InfoSec, marketing, legal, and consulting services
- Retail Network
  - Includes commissions and card fees payable to retail network through Ready Credit Corporation

	<b>2022 Proposed Budget</b>
<b>Professional Services</b>	
SI O&M	963,921
DARE O&M	848,070
Financial Services	1,936,407
Other Services	778,500
Retail Network	356,467



# What's included in Materials and Software?



- Fare Media
  - Physical fare media including bulk and retailer cards
  - Estimated virtual card fees
- Other Materials and Software
  - SysOps monitoring and admin software
  - Inspection device software
  - Marketing software
  - Electronic agreements software
  - Telephone charges
  - Supplies

	<b>2022 Proposed Budget</b>
<b>Materials and Software</b>	
Fare Media	1,323,481
Other Materials and Software	168,020

# Contingency



	2021 Adopted Budget	2022 Proposed Budget	2021 Adopted Compared to 2022 Proposed	% Change
Contingency	\$1,272,014	\$1,165,751	(\$106,264)	-8.4%

- Legacy ORCA
  - 0% contingency due to contract structure and hold on changes
- next generation ORCA
  - 10% of budget due to numerous unknowns related to launch of new system

# Items Under Development



- ST Admin Host Services
  - Finalizing negotiated percentage
- ST VM O&M
  - Region to review agreement, assumptions in May
- COVID Recovery Assumptions
  - Financial Services
  - Retail Network
  - Virtual cards

**Thank you.**



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