SOUNDTRANSIT

# Resolution No. R2026-27

### Enterprise Resource Planning/Enterprise Asset Management Transformation Program Budget Amendment

| Meeting: | Date: | Type of action: |
|---|---|---|
| Rider Experience and Operations Committee | 11/05/2026 | Recommend to Board |
| Board | 11/19/2026 | Final Action |

| Staff name: | Staff title: |
|---|---|
| Victoria Wassmer | Finance and Business Administration Deputy CEO |
| Randi Levin | Chief Information Officer |
| **Tracy Reed** | **Special Programs and Business Transformation Deputy Executive Director** |
| **Tanya Trejo** | **Business Transformation Director** |

## Proposed action

Amends the adopted 2026 Budget for the Enterprise Resource Planning/Enterprise Asset Management Transformation program by a) transferring $11,329,000 from the Agency Administration phase to the Admin Capital phase, and b) increasing the authorized allocation by $6,000,000, for a new total authorized allocation of $74,923,000.

## Key features summary

- This action seeks Board approval to transfer $11,329,000 from the Agency Administration phase to the Admin Capital phase of the Enterprise Resource Planning (ERP)/Enterprise Asset Management (EAM) Transformation program and increase the authorized allocation by $6,000,000.
- The current project budget includes a total Agency Administration amount of $13,380,000. After this action, a total of $2,051,000 will remain within the Agency Administration phase.
- The new total authorized allocation after this action will be $74,923,000.
- This budget amendment will fund Motion No. M2026-46, which authorizes contract awards with Deloitte Consulting LLP, Oracle, IBM Maximo, SymPro Inc., and Automatic Data Processing, Inc. to design and implement new Enterprise Resource Planning systems, including a 15 percent project contingency and sales tax.
- This action only increases the lifetime program allocation; it does not increase the 2026 or proposed 2027 annual program budgets.

## Background

As Sound Transit continues to expand under the ST3 program, the agency requires modern, integrated Enterprise Resource Planning (ERP) and Enterprise Asset Management (EAM) systems to manage its growing and complex business and asset portfolio across all modes of transit.

The enterprise technology and business transformation program was initiated in 2023, with budget established for delivering the system redesign effort as one system integration effort. After examining the business case for change and surveying available applications for replacing Sound Transit's existing asset management and end-of-life financial management systems it was determined advantageous to proceed with two concurrent, but separate procurements for implementation services and Software-as-a-Service products. At that time, Washington State retail sales and use tax did not apply to all information technology services, and program consulting support had been planned for a single delivery.

In August 2026, the Board authorized award of contracts with IBM Corporation for Asset Management system implementation and Software-as-a-Service (SaaS) with Arcadis U.S Inc. The capital administration phase budget was also previously committed to a contract with Intueor Consulting, Inc. for program strategy planning and oversight services in March 2024. Currently, staff recommend in Motion No. M2026-46 to proceed with awarding contracts necessary for ERP system replacement and modernization. Both the EAM and ERP projects are critical elements of Sound Transit's enterprise technology modernization and cost-efficient business practice transformation program.

This recommendation to amend the program budget will fund the now-applicable sales tax and support allocation of a project-specific contingency to manage the potential of discovering additional requirements during business process review or to potentially authorize elective services for expanded training and workforce scheduling. The remaining uncommitted amount may not be sufficient to manage risk of delay and other uncertainties that may arise during implementation, however the team plans to both aggressively manage scope and schedule to avoid a further increase in total program cost and advance the work of system design to better understand the risks before requesting additional budget.

## Project Status

The start of implementation for both projects is approximately two months behind plan but still on target to be fully tested and available for use by early 2029. Progress will be monitored against completion dates shown below and the authorized allocations to each project established in Motion Nos. M2026-34 and M2026-46, for EAM and ERP respectively.




Planned new systems Go-Live: ERP in 3rd Quarter 2028, EAM in 4th Quarter 2028.

## Fiscal information

The current program budget is included in the existing Long Range Financial Plan for the ERP/EAM Transformation program at $68,923,000. The proposed action would shift $11,329,000 from the Agency Administration phase to the Admin Capital phase to fund the ERP system implementation, and authorize a $6,000,000 increase in the authorized allocation, for a new total program authorized allocation of $74,923,000.

## ERP/EAM Transformation

(in thousands)

| Project Phase | Authorized Program Allocation | | |
|---|---|---|---|
| | Current Authorized Program Allocation | Allocation Revision | Revised Authorized Program Allocation |
| Operation & Maintenance | $9,588 | 40 | $9,628 |
| Admin Capital | 45,955 | 17,289 | 63,244 |
| Agency Administration | $13,380 | -$11,329 | $2,051 |
| Preliminary Engineering | | | |
| Final Design & Specifications | | | |
| Right-Of-Way | | | |
| Property Acquisition | | | |
| Construction | | | |
| Construction Services | | | |
| Third Parties | | | |
| Vehicles | | | |
| Contingency | | | |
| **Total** | **$68,923** | **$6,000** | **$74,923** |

**Notes:**
Amounts are expressed in Year of Expenditure $000s.
For detailed project information, see page 191 of the 2026 Adopted Budget & Financial Plan.

This action does not impact the affordability of the agency's Financial Plan, as the debt capacity of the plan after the amendment remains roughly the same. The remaining legal debt capacity with and without the $6M budget amendment is 15%.

Ongoing software support and elective application managed services will be included in the Agency's services and subscription-based information technology agreement (SBITA) costs. These costs are projected in the long-range financial plan, with annual amounts to be requested in future operating budgets. Because the projection for these costs is included in the long-range financial plan, this action does not impact Agency affordability.

## Disadvantaged and small business participation

Not applicable to this action.

## Public involvement

Not applicable to this action.

## Time constraints

A one-month delay would have a significant impact on the project schedule because of quarter-end constraints for the financial system go-live milestone and may increase the project implementation services cost or require negotiation of a limited notice to proceed with Deloitte to extend their binding commitment past November 30, 2026.

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**Environmental review –** LS/10/8/2026

**Legal review –** MT 11/2/2026

SOUNDTRANSIT

# Resolution No. R2026-27

A RESOLUTION of the Board of the Central Puget Sound Regional Transit Authority amending the adopted 2026 Budget for the Enterprise Resource Planning/Enterprise Asset Management Transformation program by a) transferring $11,329,000 from the Agency Administration phase to the Admin Capital phase, and b) increasing the authorized program allocation by $6,000,000, for a new total authorized program allocation of $74,923,000.

WHEREAS, the Central Puget Sound Regional Transit Authority, commonly known as Sound Transit, was formed under chapters 81.104 and 81.112 of the Revised Code of Washington (RCW) for the Pierce, King, and Snohomish Counties region by action of their respective county councils pursuant to RCW 81.112.030; and

WHEREAS, Sound Transit is authorized to plan, construct, and permanently operate a high-capacity system of transportation infrastructure and services to meet regional public transportation needs in the Central Puget Sound region; and

WHEREAS, in general elections held within the Sound Transit district on November 5, 1996, November 4, 2008, and November 8, 2016, voters approved local funding to implement a regional high-capacity transportation system for the Central Puget Sound region; and

WHEREAS, as Sound Transit continues to expand under the ST3 program, the agency requires modern, integrated Enterprise Resource Planning (ERP) and Enterprise Asset Management (EAM) systems to manage its growing and complex business and asset portfolio across all modes of transit; and

WHEREAS, the enterprise technology and business transformation program was initiated in 2023, with budget established for delivering the system redesign effort as one system integration effort; and

WHEREAS, based on the commitment proposed in Motion No. M2026-46, there is not sufficient budget in the ERP/EAM Transformation program to award Enterprise Resource Planning contracts and cover the applicable sales tax; and

WHEREAS, contract execution is contingent upon Board approval of a program Budget Amendment request to increase the authorized allocation for the ERP/EAM Transformation program; and

WHEREAS, in November 2025, through Resolution No. R2025-29, the Board adopted an annual budget for the period from January 1 through December 31, 2026, and adopted the 2026 Transit Improvement Plan; and

WHEREAS, a two-thirds affirmative vote of the entire membership of the Sound Transit Board is required to amend the adopted 2026 budget.

NOW THEREFORE BE IT RESOLVED by the Board of the Central Puget Sound Regional Transit Authority that the adopted 2026 Budget for the Enterprise Resource Planning/Enterprise Asset Management Transformation program is amended by a) transferring $11,329,000 from the Agency Administration phase to the Admin Capital phase, and b) increasing the authorized allocation by $6,000,000, for a new total authorized allocation of $74,923,000.

ADOPTED by the Board of the Central Puget Sound Regional Transit Authority at a regular meeting thereof held on _____.

_____

Dave Somers
Board Chair

**Attest:**

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Kathryn Flores
Board Administrator