

03/04/99
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Introduced By:

MAGGI FIMIA
Rob McKenna

Proposed No.:

1999-0151

Clerk 03/04/99

ORDINANCE NO.

13480

AN ORDINANCE relating to public transportation, revising

provisions related to rates of fare for public transportation

services, amending provisions related to commissions on the

sale of fare media, pass agreements, school district

agreements and interjurisdictional trip agreements and

authorizing the execution of a regional fare payment and

revenue reconciliation agreement; amending Ordinance

12653, Section 4, and K.C.C. 28.94.165, Ordinance 12643,

Section 6, and K.C.C. 28.94.175, Ordinance 12643, Section

7, and K.C.C. 28.94.210, and Ordinance 12643, Section 17,

and K.C.C. 28.94.235, adding a new section to K.C.C.

chapter 28.94 and repealing Ordinance 12643, section 3, as

amended, and K.C.C. 28.94.010.

BE IT ORDAINED BY THE COUNCIL OF KING COUNTY:

SECTION 1. Ordinance 12643, section 3, as amended, and K.C.C. 28.94.010 are

each hereby repealed.

NEW SECTION. SECTION 2. There is hereby added to K.C.C. chapter 28.94 a

new section to read as follows:

Rates of fare for transit program. A. Except as may otherwise be provided by

ordinance, the following fare categories and rates are established for regularly scheduled

county public transportation service on buses, trolleys, transit vans, dial-a-ride vehicles and

streetcars:

1	2	3	4	5	6	7	8	9
One-zone	off-peak	\$1.00	No charge	\$.75	Family fare	\$1.00	Seniors and persons with disabilities fare	
One-zone	peak	\$1.25	No charge	\$.75	Youth fare	N/A		
Two-zone	off-peak	\$1.25	No charge	\$.75		\$1.25		
Two-zone	peak	\$1.75	No charge	\$.75		N/A		

The fare categories and rates are subject to, and defined by, the following:

1. The descriptions of transit zones are set forth in K.C.C. 28.94.030.
2. The time-of-day limitations for peak period trips and off-peak period trips are set forth in K.C.C. 28.92.115 and 28.92.100.

3. The child fare is available to persons up to five years old when accompanied by a responsible person paying the proper fare as set forth in this chapter. Up to four children may ride with each responsible person.

4. The youth fare is available to persons from five through seventeen years old and persons over seventeen years old who attend regular sessions of junior or senior high school.

5. The family fare is available to a group that includes a person at least eighteen years old and up to four persons seventeen years old or younger. The family fare is valid on Sundays and the days on which the following holidays are legally observed:

New Year's Day; Martin Luther King, Jr., Day; Presidents' Day; Memorial Day; Independence Day; Labor Day; Thanksgiving Day; and Christmas Day.

13480

1 The senior and persons with disabilities fare is available to persons who

2 apply for and receive a regional reduced fare permit. The permits are available to persons

3 at least sixty-five years old and persons with disabilities as provided in the regional

4 reduced fare permit program authorized under K.C.C. 28.94.255.

5 7. A person with a disability who has been issued an "attendant ride free"

6 permit by the department may be accompanied by an attendant, who is not required to pay

7 a fare.

8 B. A fare in subsection A of this section is paid when a person pays the appropriate

9 amount in cash or presents an appropriate pass, transfer or other fare payment media

10 established under, and used in accordance with, this chapter.

11 C. The following passes are established for use on regularly scheduled county

12 public transportation service on buses, trolleys, transit vans, dial-a-ride vehicles and

13 streetcars:

14 1. Weekend/holiday all-day pass -- \$2.00

15 A weekend/holiday all-day pass may be issued and sold at the price

16 indicated to persons at least five years old. An all-day pass may be purchased only on

17 Saturdays, Sundays and the days on which the following holidays are legally observed:

18 New Year's Day; Martin Luther King, Jr., Day; Presidents' Day; Memorial Day;

19 Independence Day; Labor Day; Thanksgiving Day; and Christmas Day. An all-day pass

20 entitles persons at least five years old to unlimited rides during the day indicated on the

21 pass.

22 2. Monthly pass for seniors and persons with disabilities -- \$3.75

Monthly passes may be issued and sold at the price indicated to persons

who have applied for and received a regional reduced fare permit. The permits are

available to persons at least sixty-five years old and persons with disabilities as provided in the regional reduced fare permit program authorized under K.C.C. 28.94.255. The monthly

pass entitles the purchaser to unlimited rides during the month indicated on the pass.

3. Annual pass for seniors and persons with disabilities -- \$45.00

Annual passes may be issued and sold at the price indicated to persons who

have applied for and received a regional reduced fare permit. The permits are available to

persons sixty-five years of age and older and persons with disabilities as provided in the

regional reduced fare permit program authorized under K.C.C. 28.94.255. The annual pass

entitles the purchaser to unlimited rides during the year indicated on the pass.

4. Regional passes

Regional passes, in various single-trip value denominations and for various

effective periods, may be issued and sold in accordance with the terms of an agreement

approved by the county council and entered into with other public transportation providers

in the region. The various effective periods, single-trip values and prices for the regional

passes shall be established by the agreement. A valid regional pass may be presented an

unlimited number of times during its effective period as full or partial payment of the

applicable fare. To the extent the single trip value of the regional pass is not sufficient to

cover the applicable fare, the rider shall pay the difference in cash.

D. The rate of fare for paratransit service shall be 50 cents per trip and \$8.75 for a

monthly pass.

13480

F. The rate of fare for customized bus service to residents of Center Park, a facility of the Seattle Housing Authority located at 2121 - 26th Avenue South, Seattle, is

equivalent to the paratransit rate specified in this section.

SECTION 3. Ordinance 12643, section 4, and K.C.C. 28.94.165 are each hereby

amended to read as follows:

Equivalent cash fares. The director is authorized to issue, sell, consign, ~~and~~ or

accept, or any combination thereof, tickets, tokens, commodities or certificates at rates

equal to the equivalent cash fare. In order to implement the consignment of fare media

authorized under this chapter, the executive is authorized to enter into retail consignment

contracts to pay commissions to outlets which sell ~~(said)~~ the fare media. ~~((Unless~~

otherwise agreed to in a contract approved by the council, the director is authorized to pay

commissions at the rates set forth in the following schedule.

~~Category A Outlets: \$1.00 per pass sold, except paratransit service pass~~

~~.40 per ticketbook sold~~

~~.40 per paratransit service pass~~

~~.10 per Reduced Fare Sticker sold~~

~~Category B Outlets: \$.50 per pass sold, except paratransit service~~

pass

~~.50 per ticketbook sold~~

~~.40 per paratransit service pass~~

~~.10 per Reduced Fare Sticker sold~~

~~Category C Outlets: \$.40 per paratransit service pass~~

~~.10 per Reduced Fare Sticker sold~~

13480

~~Category A outlets are those outlets operated by a single entity which is able to~~

~~1. Provide a minimum of 25 outlets, open over eight hours per day, seven days~~

~~a week, with broad geographic coverage across the county, including the city of Seattle~~

~~central business district;~~

~~2. Include transit promotions in its regular advertising;~~

~~3. Sell a minimum of 15,000 fare media items a month; and~~

~~4. Provide substantial administrative cost savings to the department by~~

~~distributing fare media to multiple outlets and remitting sales revenue from multiple outlets~~

~~in a single payment.~~

~~Category B outlets are any non-Category A outlets located in the city of Seattle~~

~~central business district.~~

~~Category C outlets are any non-Category A outlets located outside the city of~~

~~Seattle central business district.))~~

~~SECTION 4. Ordinance 12643, section 6, and K.C.C. 28.94.175 are each hereby~~

~~amended to read as follows:~~

~~Pass agreements. The executive is authorized to negotiate and enter into~~

~~agreements with employers, groups of employers, educational institutions, transportation~~

~~management associations and other organizations for the purpose of selling passes for~~

~~distribution and use by employees, students and/or others traveling to their facilities. At a~~

~~minimum, ((such)) the agreements shall contain the following terms:~~

~~A. A description of the type of pass to be sold. The types of ((B)) passes sold~~

~~under ((such)) the institutional agreements shall be either: 1. Flexpasses; or ((monthly-~~

~~three month or annual)) 2. regional passes if the institutional pass sale agreements are~~

13480

1 authorized under the agreement entered into with other transit providers that established the

2 regional passes.

3 B. For flexpass agreements: a description of the services and benefits available to

4 the flexpass holder, of which there shall be at least two services or benefits provided by the
5 other party to the agreement that are in addition to the transit element, the designation of a
6 transportation coordinator and the distribution of alternative commuting information; the
7 number of passes to be issued and the cost thereof, the cost of issuing additional and
8 replacement passes during the term of the agreement, a schedule of payments and an
9 agreement term not to exceed three years. Unless otherwise agreed to by the council, the
10 price terms for the transit element of a flexpass agreement shall be established according to
11 the following schedule of annual calculations. Further, the agreement shall require

12 reimbursement of the cost of additional services provided by the department and shall
13 include provisions for modification due to changes in fares and program fees.

14 First twelve months: $Trip ((R))\bar{revenue} \times ((B))\bar{baseline} ((\pm))\bar{trips}$

15 Second twelve months: $(TR \times ((B))\bar{baseline} ((\pm))\bar{trips}) + [(TR \times ((A))\bar{added} ((\pm))\bar{trips}) \times 1/3]$

17 Third twelve months: $(TR \times ((B))\bar{baseline} ((\pm))\bar{trips}) + [(TR \times ((A))\bar{added} ((\pm))\bar{trips}) \times 2/3]$

19 Fourth twelve months and thereafter $(TR \times ((B))\bar{baseline} ((\pm))\bar{trips}) + (TR \times TR \times ((A))\bar{added} ((\pm))\bar{trips})$

21 For purposes of this formula, ~~the term~~ $((\pm))\bar{trip} ((R))\bar{revenue}$ or "TR" ~~shall~~

22 means the weighted average fare per trip determined by the department.

23 For purposes of this formula, ~~the term~~ $((B))\bar{baseline} ((\pm))\bar{trips}$ ~~shall~~ means

24 the estimated number of transit trips taken by the contracting party's covered population of

13480

students, employees ~~(and)~~ or others, or any combination thereof, in the twelve months preceding execution of the flexpass agreement. Baseline ~~(A)~~ trips may be adjusted on an annual basis to account for changes in the number of eligible employees.

For purposes of this formula, ~~(the term)~~ ~~(A)~~ added ~~(A)~~ trips ~~(shall)~~ means those trips taken during the prior twelve months, determined either from surveys or electronic counting of actual flexpass use, which exceed the number of ~~(B)~~ baseline ~~(A)~~ trips established at the execution of the flexpass agreement. Electronic counts of one month or more will be annualized and used in lieu of survey results if available.

In the event a party terminates or does not renew a flexpass agreement, any subsequent flexpass agreement entered into with that party shall be priced as if in the "fourth twelve months and thereafter" category.

C. For regional annual pass agreements: the ~~(est)~~ price of the regional passes, the cost of issuing additional and replacement passes during the term of the agreement, the level of subsidy provided by the purchasing entity, a schedule of payments and an agreement term not to exceed one year. ~~(To be eligible for annual pass agreements, the purchasing entity must subsidize at least fifty percent of the cost of the passes and make the passes available to at least two hundred fifty employees. The cost of annual passes under such agreements shall consist of the regular one and two zone rates set forth in this chapter less deductions, if any, based on the percentage difference between the departments "full time usage" estimate and the estimated actual pass usage of the purchasing entity's employees. A maximum deduction of fifty percent may be made from the regular one and two zone rates under such agreements.)~~ The price of a regional annual pass sold under an institutional pass sale agreement is the regular price as established in the

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13480

agreement entered into with other transit providers as set forth in section 2C.4 of this

ordinance. Purchasing entities are entitled to price discounts only if the discounts are

provided under the agreement.

SECTION 5. Ordinance 12643, section 12, and K.C.C. 28.94.210 are each hereby

amended to read as follows:

Public school district agreements. The executive is authorized to execute

agreements with public school districts to supply students with passes in connection with

special school programs ~~(+ provided, that such agreements shall be subject to approval by~~

~~the council)), but the price for passes under the agreements shall be established at a rate of~~

~~twenty-four times the youth fare set forth in this chapter for each month in which these~~

~~passes are valid, and the passes shall be valid only for rides on regularly scheduled county~~

~~public transportation service on buses, trolleys, transit vans, dial-a-ride vehicles and~~

~~streetcars.~~

SECTION 6. Ordinance 12643, section 17, and K.C.C. 28.94.235 are each hereby

amended to read as follows:

Interjurisdictional trip agreements. The executive is authorized to execute

agreements with other transit agencies to establish a system of fare payment for passengers

transferring between transportation systems or crossing jurisdictional boundaries ~~(+)~~

~~provided, that such)). The agreements shall be subject to approval by the council to the~~

~~extent ((such)) the approval is required by the charter, ordinance ((and)) or applicable state~~

~~law, or any combination thereof. ((Such)) The agreements shall provide that the county's~~

~~estimated share of the fare revenue collected for ((an)) interjurisdictional trips shall be not~~

~~less than ((twenty)) sixty-six percent of the revenue which would have been generated by~~

13480

13480

application of the appropriate cash fares or prorata pass prices due under other provisions

of this chapter for the county portions of these interjurisdictional trips.

SECTION 7. The King County executive is hereby authorized to execute an

agreement, substantially in the form attached, for the provision of regional fare payment

and revenue reconciliation.

INTRODUCED AND READ for the first time this 8th day of March, 1999.

PASSED by a vote of 13 to 0 this 26th day of April, 1999

KING COUNTY COUNCIL
KING COUNTY, WASHINGTON

Jennie Miller
Chair

ATTEST:

Sumner
Clerk of the Council

APPROVED this 3 day of May, 1999

[Signature]
King County Executive

Attachments: Interim Regional Fare Payment and Revenue Reconciliation Agreement

February, 1999

CENTRAL PUGET SOUND REGIONAL TRANSIT AUTHORITY ("Sound Transit");
CITY OF EVERETT ("Everett Transit");
KING COUNTY ("King County Metro");
PIERCE COUNTY PUBLIC TRANSPORTATION BENEFIT AREA CORPORATION
("Pierce Transit"); and
SNOHOMISH COUNTY PUBLIC TRANSIT BENEFIT AREA CORPORATION
("Community Transit")

by and between

**INTERIM REGIONAL PASS AND FARE
RECONCILIATION PROGRAM
AGREEMENT**

13480

13480

TABLE OF CONTENTS

Page 1	Section 1: Purpose
Page 2	Section 2: Term of Agreement
Page 2	Section 3: Contract Documents
Page 3	Section 4: Communications
Page 3	Section 5: Definitions
Page 6	Section 6: Individual Responsibilities of Each Party
Page 7	Section 7: Administration Responsibility
Page 8	Section 8: Process for Implementing this Agreement
Page 9	Section 9: Procurement and Contracting
Page 10	Section 10: Reimbursement Principles
Page 11	Section 11: Average Fare Per Boarding, Baseline and Total Fare Revenue Forecasts
Page 11	Section 12: Reconciliation Events and Late Fees
Page 14	Section 13: Reconciliation Account Manager
Page 16	Section 14: Fare Media Design and Production
Page 18	Section 15: Fare Media Distribution and Accounting
Page 19	Section 16: Pass Sales
Page 20	Section 17: Fare Media Acceptance Policies
Page 21	Section 18: Initial Phase Requirements and Components
Page 22	Section 19: Future Fare Changes
Page 23	Section 20: Audit and Reporting Requirements
Page 24	Section 21: Dispute Resolution
Page 25	Section 22: Termination
Page 25	Section 23: Legal Relations
Page 27	Signature Page:
Page 28	Exhibit A: Designated Representatives
Page 29	Exhibit B: Regional Pass Denominations and Prices
Page 30	Exhibit C: Regional Policy on Issuance of Commissions
Page 31	Exhibit D: Regional Policy on Issuance of Refunds
Page 32	Exhibit E: Regional Policy on Issuance of Discounts to Employers
Page 33	Exhibit F: Employer/Institutional Specific Pass Programs
Page 36	Exhibit G: Regional Fare Revenue Reconciliation Schedule
Page 38*	Exhibit H: Revenue Reconciliation Methodology

* Note: Page 41 is the last page of Exhibit H and this Agreement.

13480

INTERIM REGIONAL PASS AND FARE
RECONCILIATION PROGRAM AGREEMENT

THIS AGREEMENT ("Agreement"), dated _____, 1999, is entered into by and between CENTRAL PUGET SOUND REGIONAL TRANSIT AUTHORITY ("Sound Transit"); the CITY OF EVERETT ("Everett Transit"); KING COUNTY ("King County Metro"); PIERCE COUNTY PUBLIC TRANSPORTATION BENEFIT AREA CORPORATION ("Pierce Transit"); and SNOHOMISH COUNTY PUBLIC TRANSIT BENEFIT AREA CORPORATION ("Community Transit") each of which is herein referred to individually as a "Party" or collectively as "Parties."

WHEREAS, each Party provides public transportation services in a portion of the Central Puget Sound region of Washington State pursuant to state law; and

WHEREAS, each Party is duly authorized to provide public transportation within its portion of the region and to collect fares for such services; and

WHEREAS, the Parties convened three fare policy forums between December 1997 and June 1998 at which elected officials from the governing bodies of each transit agency developed policy direction for fare integration between the Parties; and

WHEREAS, the Parties have determined that regional fare coordination will promote the use of public transportation throughout the region by both their individual and collective customers due to increased ease and convenience; and

WHEREAS, the implementation of such a system of coordinated regional fares shall require a process whereby fare revenue is reconciled to each agency on an individual basis; and

WHEREAS, the Parties are committed to reducing the number of fare media within the region by limiting local passes and replacing them with Regional Passes; thus creating a shared set of fare media for the customers to use; and

WHEREAS, regional fare coordination will provide transfer discounts to customers and Sound Transit has committed to using its fare integration budget to reduce the financial effect on each agency of the shared costs of transfer discounts;

NOW, THEREFORE, in consideration of the mutual promises and covenants contained herein, the Parties agree as follows:

Section 1 PURPOSE

The purpose of this Agreement is to establish a program of coordinated regional fares, including a shared set of Regional Passes, interagency cash transfers and an associated fare reconciliation arrangement. The program will enable customers to access and transfer among

and between the transportation services provided by the Parties using Regional Passes or intersystem transfers. Furthermore, this Agreement will provide a fare reconciliation arrangement, which will provide reimbursement to the Parties thereby reducing the impact of projected and actual revenue losses, which may be incurred by the implementation of coordinated regional fares.

Section 2 TERM OF AGREEMENT

a) **Effective Date.** This Agreement shall become effective on the date it has been duly executed by all of the Parties. Unless terminated as provided herein, this Agreement shall remain in effect until the earlier of December 31, 2001 or when the Regional Smart Card Project reaches full implementation, as reasonably determined by the Parties.

b) **Annual Review.** During each October, the Parties shall meet and confer to identify modifications or amendments that may be necessary or appropriate and to prepare recommendations to adopt the same. The annual review shall provide an opportunity for the Parties to evaluate average fare per boarding estimates or figures and for any Party to propose modification or evaluation of average fare per boarding estimates or figures.

c) **Withdrawal of a Party.** Upon notification of withdrawal by any Party, the other Parties shall meet and confer to identify modifications or amendments that may be necessary or appropriate because of the withdrawal of that Party, and to prepare recommendations to adopt the same.

Section 3 CONTRACT DOCUMENTS

The following exhibits are attached hereto and incorporated by reference into this Agreement:

EXHIBIT A—Designated Representatives of the Parties

EXHIBIT B—Regional Pass Denominations and Prices

EXHIBIT C—Regional Policy on Issuance of Commissions

EXHIBIT D—Regional Policy on Issuance of Refunds

EXHIBIT E—Regional Policy on Issuance of Discounts to Employers

EXHIBIT F—Employer/Institutional Specific Pass Programs

EXHIBIT G—Regional Fare Revenue Reconciliation Schedule

EXHIBIT H—Revenue Reconciliation Methodology

13480

Subject to the limitations and procedures identified in Section 8, exhibits may be amended by the Designated Representatives, except that amendment of Exhibits C, D or E requires the written approval of each Party's General Manager or Executive Director as provided in Section 16.

Section 4 COMMUNICATIONS

a) Designated Representatives. To ensure effective and efficient intergovernmental cooperation and administration of this Agreement, each Party shall designate a representative responsible for communications under this Agreement (the "Designated Representative"). Each Party's Designated Representative is identified in Exhibit A. A Party may change its Designated Representative by providing notice to the other Parties, and Exhibit A shall be deemed to be revised accordingly.

b) Notices. Any notice required to be given under the terms of this Agreement shall be directed by certified mail, return receipt requested to the persons signing this Agreement with copies to the Parties' Designated Representatives at the addresses listed in Exhibit A, as may be revised from time to time. Notice shall be considered issued and effective upon receipt by the addressee.

Section 5 DEFINITIONS

a) Classes of Boardings.

"Intrastystem Boardings" means boardings made as part of a trip which may include a transfer made solely between the services of one Party.

"Local-Local Boardings" means boardings made as part of a trip that includes a transfer in either direction between two Parties' services, where neither of said Parties is Sound Transit.

"Local-Sound Transit Boardings" means boardings made as part of a linked trip that includes a transfer in either direction between Sound Transit and any other Party.

b) Forecasted Revenue.

"Forecast Total Revenue" means the sum of Forecast Baseline Revenue plus Forecast Transfer Revenue.

"Forecast Baseline Revenue" means an annual forecast of anticipated cash, pass, token and ticket fare revenue from Intrastystem and Local-Local boardings based on estimates of average fare per boarding and forecasted boardings, which may

exclude fare revenue from Employer/Institutional Specific Pass Programs pursuant to Exhibit H.

"Forecast Transfer Revenue" means an annual forecast of anticipated cash, pass, and ticket fare revenue from Local-Sound Transit Boardings, which may exclude fare revenue from Employer/Institutional Specific Pass Programs pursuant to Exhibit H.

c) Earned Revenue.

"Earned Total Revenue" means the sum of Earned Baseline Revenue and Earned Transfer Revenue.

"Earned Baseline Revenue" means the actual cash, pass, token and ticket fare revenue earned by a Party from Intrasystem and Local-Local Boardings based on estimates of average fare per boarding and estimated actual boardings, which may exclude fare revenue from Employer/Institutional Specific Pass Programs pursuant to Exhibit H.

"Earned Transfer Revenue" means the actual cash, pass, token and ticket fare revenue earned by a Party from Local-Sound Transit Boardings as estimated by surveyed Local-Sound Transit transfer rates, which may exclude fare revenue from Employer/Institutional Specific Pass Programs pursuant to Exhibit H.

d) Fare Revenue Recognized.

"Fare Revenue Recognized" means all fare revenue recorded by a Party from cash, pass, ticket, and token sales in a particular time period. Fare revenue from Employer/Institutional Specific Pass Programs may be excluded pursuant to the methodology in Exhibit H.

e) Reconciliation Events.

"Monthly Reconciliation" means the monthly reconciliation of Fare Revenue Recognized against Forecast Total Revenue for each Party, which occurs according to the schedule in Exhibit G.

"Periodic Reconciliation" means the reconciliation for the preceding months of Fare Revenue Recognized against Earned Baseline Revenue and Forecast Transfer Revenue for each Party, which occurs according to the schedule in Exhibit G.

"Annual Reconciliation" means the year-end reconciliation of Fare Revenue Recognized against Earned Total Revenue for each Party, which occurs according to the schedule in Exhibit G.

f) Reconciliation Account.

"Reconciliation Account Manager" means Sound Transit as it carries out the reporting and accounting functions necessary for Monthly, Periodic and Annual Reconciliations of the Revenue Reconciliation Account.

"Revenue Reconciliation Account" means an account established by the Reconciliation Account Manager to accept, invoice, and disburse funds from the Monthly, Periodic, and Annual Reconciliation, including transfers from the Fare Integration Budget to ensure sufficient funds are available to ensure all Parties receive Earned Total Revenue

"Fare Integration Budget" means the resources budgeted by Sound Transit in Sound Move: The Ten-Year Regional Transit System Plan to support its contribution towards seamless public transportation, including minimizing the financial effects of transfer discounts.

g) Service, Customer and Fare Media Categories.

"Service Category" means the classes of services with specific fares established by each Party. These classes include but are not limited to:

- local fares;
- peak and off-peak fares;
- 1-zone, 2-zone and 3-zone fares;
- commuter and express fares; and
- commuter rail fares.

"Customer Category" means the full and reduced fare classes established by each Party. These classes include, but are not limited to:

- adult fares;
- youth fares; and
- senior and disabled fares.

"Fare Media Type" means classes of fare media including, but not limited to:

- cash;
- pass;
- ticket; and
- token.

"Transportation Services" means the fixed route bus, trolley, streetcar and commuter rail, dial-a-ride, special event and paratransit public transportation services provided by the Parties, excluding vanpool services.

13480

13480

h) Other Terms.

"Boarding" means each time a passenger boards a transit vehicle, also known as an unlinked trip. Boardings will be forecast and estimated by each Party pursuant to Exhibit H.

"Discretionary Amounts" shall be the direct expense for or revenue loss resulting from sales of Regional Passes, such as commissions, refunds, and/or discounts which expense or revenue loss varies from adopted regional policies identified in Section 16 (Pass Sales).

"Employer/Institutional Specific Pass Programs" means programs with a pass media unique to the employer/institution or with pass distribution policies that are employer/institution specific pursuant to a written agreement with one or more of the Parties. Existing Employer/Institutional Specific Pass Programs are set forth in Exhibit F.

"Initial Phase" means the period of time from the effective date of this Agreement through December 31, 1999.

"Regional Pass" means a fare media instrument valid for unlimited trip making during a defined calendar period on the Parties' services specified in Section 17 (Fare Media Acceptance Policies) of this Agreement.

"Regional Smart Card Project" means the Regional Fare Coordination Project.

"Service Area" means the territory served by each Party.

"Service Productivity" means unlinked boardings per service hour.

Section 6 INDIVIDUAL RESPONSIBILITIES OF EACH PARTY

a) Responsibilities of Each Party. Each Party to this Agreement shall, at its sole expense, undertake its responsibilities required to implement the terms of this Agreement.

i) First, each Party shall be responsible for the communication and administration actions set forth in this Agreement, including designation and support of a Designated Representative.

ii) Second, each Party shall be responsible for revenue reconciliation under this Agreement, including, but not limited to, all actions required to:
• Develop estimates of its Forecast Baseline Revenue and Forecast Transfer Revenue for the purpose of revenue reconciliation;
• Calculate its Earned Baseline Revenue and Earned Transfer Revenue for the purpose of revenue reconciliation;

13480

- Provide monthly reporting of Pass Inventory Activity and Revenue
- Recognized as required for revenue reconciliation;
- Maintain information on Institutional/Employer Specific Pass programs managed separately from this Agreement; and
- Allow the Reconciliation Account Manager access to records necessary to audit information provided in monthly reports and used in developing Forecast and Earned Baseline Revenue.

iii) Third, each Party shall be responsible for distributing regional fare media and accepting regional fare media as full or partial payment on its affected services including, but not limited to, all actions required to:

- Ensure acceptance of regional fare media on affected service;
- Provide information to the public on the availability and use of regional fare media;
- Provide sales outlets for Regional Pass media; and
- Manage employer programs utilizing Regional Pass media.

iv) Fourth, the Parties shall undertake any and all other necessary and appropriate actions required to implement this Agreement as determined jointly by the Parties.

b) **Additional Responsibilities of Sound Transit.** In addition to its responsibilities as a Party to this Agreement, Sound Transit shall have additional responsibilities.

i) First, Sound Transit shall serve as Reconciliation Account Manager as defined under this Agreement and shall fulfill the responsibilities required of that function. The accounting responsibilities of the Reconciliation Account Manager are detailed in Section 13 of this Agreement.

ii) Allow the other Parties, or their designees, access to records necessary to audit information provided in monthly reports, used in developing Forecast and Earned Baseline Revenue, and for monthly, periodic and annual revenue reconciliation.

iii) Additionally, for the purpose of revenue reconciliation, Sound Transit shall manage and pay for the annual research program described in Section 11(e)(ii), which includes transfer surveys on-board its fixed route services to estimate Local-Sound Transit Boardings.

Section 7 ADMINISTRATION RESPONSIBILITY

a) The Parties, acting cooperatively through their Designated Representatives, shall determine the elements necessary to implement this Agreement and carry out the administration responsibilities of this Agreement.

1) First, the administration responsibility shall include actions required to oversee and support Regional Pass media and Local-Sound Transit cash transfer policies including, but not limited to:

- Determination of pass denominations and acceptance policies;
- Provision of design and production of Regional Pass media including oversight of design approval and pass procurement processes; and
- Coordination of transfer media use for Local-Sound Transit cash transfers

ii) Second, the administration responsibility shall include actions required to oversee and support revenue reconciliation under this Agreement including, but not limited to:

- Review and secure approval of the Parties' General Managers or Executive Directors of each Party's Forecast Baseline Revenue;
- Management and design of survey instruments as required for the purpose of revenue reconciliation;
- Validation of survey results and other supporting data, such as boarding counts, as required for the purpose of revenue reconciliation; Calculation of estimates of actual boardings and transfer rates for the purpose of Earned Baseline Revenue validation and updating of Forecast Baseline Revenue estimates; and
- Secure the approval of the Parties' General Managers or Executive Directors of any year-end updates of Forecast Baseline Revenue estimates.

iii) Third, the administration responsibility shall include actions required to oversee and support the distribution and sales of regional fare media including, but not limited to:

- Determining the quantity and serial numbers of passes by pass type to be delivered to each Party;
- Coordinating marketing and public information function by the Parties related to regional fare media; and
- Resolving any conflicts in establishment of Party responsibility of sales outlets and employer programs.

b) The administration responsibility shall include any additional action required to oversee and support this Agreement as jointly determined by the Parties.

Section 8 PROCESS FOR IMPLEMENTING THIS AGREEMENT

a) The Parties shall jointly determine the elements of the Regional Pass program and fare revenue reconciliation arrangement and other matters necessary to implement this Agreement through the Designated Representatives identified in Exhibit A of this Agreement. Such determinations and other decisions necessary to implement this Agreement shall be made by unanimous approval of the Parties. The Designated Representatives shall meet and confer as may

13480 N

be necessary and appropriate. Each Designated Representative shall be responsible for communicating issues, recommendations, questions, and any other information to persons or bodies within its agency. The same Designated Representative shall also be responsible for communicating the decisions, positions, questions or concerns of its agency to the Designated Representatives of the other Parties.

b) The group of Designated Representatives shall have the ability to refer any issues that it cannot resolve or that are beyond its decision making authority to those existing regional forums established for the purpose of discussing and resolving regional transit issues. Such forums include, but are not limited to: 1) The General Manager's Meeting; or 2) ongoing working committees that include managers from each of the Parties.

c) The Designated Representatives shall carry out the decisions of the forums cited above. Each Designated Representative shall be responsible for seeing that such decisions or actions necessary to implement this Agreement are consistent with the applicable administrative or legislative procedure of the Party it represents.

d) When acting through the process provided to implement this Agreement, the Designated Representatives do not have authority to enter contracts on behalf of the Parties or to obligate the Parties to expend funds beyond the obligations that the Parties incur by entering into this Agreement; *provided*, however, that the Designated Representatives have authority to implement the revenue reconciliation functions provided herein, including development and approval of Forecast Total Revenue and Forecast Baseline Revenue as set forth in Section 11. As provided in Section 9(a) and Section 14, the Parties agree herein to pay their respective shares of Regional Pass production costs under a procurement mechanism to be determined and implemented by the Designated Representatives. As provided in Section 9(b), Sound Transit agrees herein to pay for the cost of the annual research program developed pursuant to Section 11(e)(ii) of this Agreement to implement the revenue reconciliation provisions of this Agreement.

Section 9 PROCUREMENT AND CONTRACTING

a) **Pass Production.** The cost of Regional Pass production shall be shared by the Parties as provided in Section 14. The Parties shall procure Regional Pass production goods and services using the most advantageous method that complies with the procurement requirements of the Federal Transit Administration (FTA) and the Parties, as the Parties shall decide pursuant to Section 8. The Parties intend to make use of an intergovernmental purchasing agreement to enable the Parties to join an existing or extended contract held by one of the Parties. The Parties hereby agree to pay their respective shares of Regional Pass production costs under an intergovernmental purchasing agreement or such other contracting arrangement as the Parties shall decide.

b) **Annual Research Program.** The costs of surveys and other research necessary to implement the annual research program described in Section 11(e)(ii) of this Agreement shall be paid by Sound Transit. Sound Transit intends to fund this research program from the Fare

Integration Budget. Sound Transit shall procure goods and services related to this research program using a process that complies with the procurement requirements of the FTA and the Parties. Sound Transit shall be the only Party that is signatory to contracts necessary to implement this research program, but all other Parties shall be allowed the opportunity to participate in: the development of specific workplans necessary to carry out the research program; associated contractor selection processes; and review of preliminary research results and analysis.

(c) Other Procurement and Contracting. For other goods or services necessary to implement the Agreement that represent shared costs, the Parties shall use the most advantageous procurement method that complies with the requirements of the FTA and the Parties. Methods for procurement may include intergovernmental purchasing agreements, interagency purchasing agreements, or other contracting arrangements. The Parties shall each approve or execute any such agreement(s) for other goods or services pursuant to their respective authorization processes.

Section 10 REIMBURSEMENT PRINCIPLES

To reduce the impact of projected and actual revenue losses that may be incurred by the implementation of coordinated regional fares, the Parties shall be reimbursed for service provided to riders benefiting from this Agreement according to the following principles. Sound Transit's Fare Integration Budget shall be used to make up any shortfall between revenues collected and revenue to be reimbursed according to these principles.

a) Regional Pass. Each Party shall earn fare revenue for riders using its services with a Regional Pass. The Parties' intent is to base reimbursement upon each Party's average revenue per pass boarding by Customer and Service Category. The use of average revenue per pass boarding rather than cash fares accounts for transfer rates and pass discounts.

i) Intrasystem Boardings. Each Party shall receive the full amount of its average revenue per pass boarding for Intrasystem Boardings made with a Regional Pass.
ii) Local-Sound Transit Boardings. Each Party shall receive two-thirds of its average revenue per pass boarding for Local-Sound Transit Boardings made with a Regional Pass.

iii) Local-Local Boardings. To simplify the annual research program described in Section 11(e)(ii), the Parties will not attempt to estimate Local-Local Boardings separately from Intrasystem Boardings. Instead such boardings will be treated as Intrasystem Boardings and each Party shall receive the full amount of its average revenue per pass boarding by Service and Customer Category for Local-Local Boardings made with a Regional Pass. However, because measures are not in place to estimate Local-Local Boardings separately from Intrasystem Boardings, each Party's estimate of average revenue per pass boarding will include the effects of discounts for Local-Local Boardings provided in existing interlocal agreements between the Parties.

At such time as the Parties determine that better tracking measures exist to estimate Local-Local Boardings, the Parties agree to review the reimbursement principle for Local-Local Boardings. This review may include convening elected officials from the governing body of each Party for a fare policy forum.

b) Cash. Each Party shall earn fare revenue for Local-Sound Transit Boardings paid with cash. Revenue from Intrasystem Boardings and Local-Local Boardings paid with cash are subject to each Party's own policy and are not eligible for additional reimbursement from the Sound Transit Fare Integration Budget. Each Party shall receive two-thirds of its cash fare for Local-Sound Transit Boardings paid with cash.

Section 11 AVERAGE FARE PER BOARDING, BASELINE AND TOTAL FARE REVENUE FORECASTS

a) Establishing Average Fare per Boarding. No later than the first working day of July 1999, each Party shall submit an estimate of average fare per boarding developed pursuant to Exhibit H from the most recent data available. Each Party may update this estimate based on data through August 1999, and thereafter at each periodic or annual review may submit documentation to demonstrate how its average fare per boarding has changed.

b) Establishing Baseline and Total Fare Revenue Forecasts.

i) Initial Phase. No later than the first working day of July, 1999 each Party shall submit a Forecast Total Revenue for the period September 1, 1999 through December 31, 1999. For this Initial Phase, each Party's Forecast Total Revenue shall be equal to that Party's Forecast Baseline Revenue pursuant to Exhibit H. Forecast Total Revenue shall not include new boardings resulting from transfers to or from Sound Transit. Average Fare per Boarding shall not include forecasted fare discounts for Local-Sound Transit Boardings. Sound Transit's Forecast Baseline Revenue shall reflect the adopted Regional Express Service Implementation Plan. The Forecast Total Revenue of all other Parties shall reflect the total fare revenue forecasts in that Party's adopted budget, except where documentation is provided of a basis for using a Forecast Baseline Revenue different than the Party's adopted budget, and may exclude forecasts of fare revenue from Employer/Institutional Specific Pass Programs. Parties may submit a revised Forecast Baseline Revenue after July 1st if additional data becomes available to substantiate such a change.

ii) Subsequent Years. Subsequently, each Party shall submit a proposed Forecast Total Revenue consistent with the proposed annual budget for the coming year at no later than such time as that proposed budget is submitted to each Party's governing board. Each Party's Forecast Total Revenue shall be equal to the sum of that Party's Forecast Baseline Revenue and Forecast Transfer Revenue, and shall include forecasted new boardings resulting from Local-Sound Transit Boardings pursuant to Exhibit H. Forecast Transfer Revenue shall include the discounts specified in Section 10 of this

Agreement for Local-Sound Transit Boardings. The Parties shall review and approve a final Forecast Total Revenue for each Party by November 15th prior to final adoption of each Party's coming year budget.

c) Methodology.

- i) **Average Fare per Boarding.** Each Party shall document the methodology used to develop its estimated average fare per boarding pursuant to Exhibit H.
- ii) **Forecast Baseline Revenue.** Each Party shall document the methodology used to develop its Forecast Baseline Revenue pursuant to Exhibit H.
- iii) **Forecast Transfer Revenue.** The Parties will develop and agree upon forecasts of Sound Transit-Local Boardings for the subsequent calendar year, based upon the forecasting and research program described in Section 11(e)(ii) of this Agreement, pursuant to the schedule outlined in Exhibit H. These forecasts shall detail, for both Sound Transit and each Party's service, Local-Sound Transit Boardings by Service Category, Customer Category and Fare Type sufficient to allow Forecast Transfer Revenue to be developed for each Party, which shall include the transfer discounts specified in Section 10 of this Agreement.

d) Review and Approval of Total and Baseline Fare Revenue Forecasts. The Reconciliation Account Manager shall, and any other Party may, review the Parties' Forecast Total and Baseline Revenue submissions and inform all Parties as to any questions or concerns prior to the Parties' consideration and approval of the forecast. As to the Initial Phase, the Parties shall review and approve the 1999 Forecast Total and Baseline Revenue submitted by each Party by August 15, 1999. Each year thereafter, the Parties shall review and approve by November 15 the Forecast Total and Baseline Revenue consistent with each Party's proposed annual budget for the next year. The review of proposed Forecast Total and Baseline Revenue will focus on understanding the reasons for changes in each Party's service hours, boardings, fare levels, and fare revenue. Each Party's Forecast Total Revenue as approved by all the Parties on November 15 of the previous year shall be used for the purposes of reconciliation unless a Party's adopted budget results in a significant change to that Party's approved Forecast Total Revenue, and until such time as the Parties can review and approve the changes made to that Party's Forecast Total Revenue.

e) Tracking and Reporting.

- i) **Tracking.** Each Party shall be responsible for gathering data necessary to prepare Forecast and Earned Total Revenue.
- ii) **Annual Research Program.** All Parties shall participate in the development of and agree upon an annual research program for the purposes of: (1) estimating Local-Sound Transit Boardings; and (2) forecasting such boardings for the subsequent year. This program shall focus on developing estimates/forecasts sufficient to support development by each Party of Forecast and Earned Transfer Revenue.

13480

Reconciliation Account Manager according to the schedule in Exhibit G.

Pass Inventory Activity.

Monthly reports shall include the following pass inventory information:

- Quantity and serial numbers or series of Regional Passes received by pass type;
- Quantity of Regional Passes distributed to sales outlets and to consignment accounts by pass type;
- Quantity of Regional Passes returned by the monthly reporting date by pass type;
- Quantity of Regional Passes either sold, or not returned and not reported as sold by the monthly reporting date, by pass type;
- Adjustments to inventory by pass type, with corresponding documentation of disposition, i.e., miscellaneous inventory not received from vendor, quantity of passes lost in mail to individuals, retail or employer accounts by pass type, quantity of passes damaged or samples used for training, etc.; and
- Quantity of Regional Passes unsold and destroyed or disposed of by pass type.

Monthly reports shall update previous monthly reports as significant change in outstanding items occur, until all outstanding reconciling items, such as passes distributed on consignment and not returned or reported as sold, are accounted for.

Fare Revenue Recognized

Revenue recognized from pass sales shall be reported in accordance with the accounting methodology of each agency. Agencies that record revenue from pass sales at month's end when reports are received from employers and consignment outlets shall report the recorded revenue to the Reconciliation Account Manager. Agencies that record revenue when passes are distributed to employers and consignment outlets and then debit back returns shall report revenue recorded that month, revenue debited back that month, and net revenue. In addition, agencies that record sales of 3-month and annual passes as deferred revenue shall maintain both cash and liability from these pass sales, except the one-third of 3-month pass or one-twelfth of annual pass sales recorded as current revenue each month. Monthly reports shall include the following information about Fare Revenue Recognized:

- Revenue recognized from Regional Pass sales;
- All other Fare Revenue Recognized by Fare Media Type, except for revenue from Employer/Institutional Specific Pass Programs if excluded pursuant to Exhibit H;
- Discretionary amounts incurred for Regional Pass commissions beyond the regional standards set in Exhibits C to the extent that these go beyond the commissions included in a Party's Forecast Total Revenue;

- Discretionary amounts incurred for Regional Pass refunds or employer discounts beyond the regional standards set in Exhibits D and E to the extent that these go beyond the discounts included in a Party's Forecast Total Revenue;
- Comparison of Fare Revenue Recognized (plus discretionary expenses if deducted from Regional Pass sales) to monthly Forecast Total Revenue; and
- Remittance advice for the balance to/from the Reconciliation Account Manager.

iv) **Periodic.** Each Party shall prepare a report of Earned Baseline Revenue based on estimated actual boardings pursuant to Exhibit H, and a report of actual service hours, and shall provide these reports to the Reconciliation Account Manager according to the schedule shown in Exhibit G.

v) **Annual.** Each Party shall use the results of the Annual Research Program to develop estimates of Earned Transfer Revenue for Annual Revenue Reconciliation.

vi) **Reconciliation Account Manager.** The Reconciliation Account Manager shall prepare and distribute reports to the other Parties pursuant to Section 13 of this Agreement.

Section 12 RECONCILIATION EVENTS AND LATE FEES.

a) **Reconciliation Events.**

i) **Monthly Revenue Reconciliation.** Pursuant to the schedule in Exhibit G each Party will send a monthly report to the Reconciliation Account Manager comparing Fare Revenue Recognized with the Forecast Total Revenue for that month. This report will be accompanied by a remittance advice for the balance to or from the Revenue Reconciliation Account. Thus, each Party will retain all Fare Revenue Recognized up to that Party's Forecast Total Revenue for that month. If a Party's monthly Fare Revenue Recognized is greater than the Forecast Total Revenue for that month, the Reconciliation Account Manager will issue an invoice to that Party for the difference between these two amounts. If a Party's monthly Fare Revenue Recognized is less than the Forecast Total Revenue for that month, the Reconciliation Account Manager will disburse funds from the Revenue Reconciliation Account to that Party for the difference between these two amounts.

ii) **Periodic Revenue Reconciliation.** Pursuant to the schedule in Exhibit G, each Party will send a report to the Reconciliation Account Manager comparing that Party's Forecast Baseline Revenue to the Earned Baseline Revenue for the specified preceding months. This report will be accompanied by a remittance advice for the balance to or from the Revenue Reconciliation Account. If the sum of a Party's monthly Forecast Baseline Revenue for the period is greater than the sum of the Earned Baseline Fare Revenue for this period, the Reconciliation Account Manager will issue an invoice to that Party for the difference between these two amounts. If the sum of a Party's monthly Forecast Baseline Revenue for the period is smaller than the sum of the Earned

13480

Baseline Fare Revenue for this period, the Reconciliation Account Manager will disburse funds from the Revenue Reconciliation Account to that Party for the difference between these two amounts.

iii) Annual Reconciliation. By the first business day of December 2000 and of each subsequent year, the Parties shall use the results of the annual research program described in Section 11 (e) (ii) of this Agreement to develop and agree upon monthly estimates of Local-Sound Transit Boardings and Earned Transfer Revenue. Pursuant to the schedule in Exhibit G, each Party will send an annual report to the Reconciliation Account Manager comparing that Party's annual Forecast Transfer Revenue to the Earned Transfer Revenue for that year. This report will be accompanied by a remittance advice for the balance to or from the Revenue Reconciliation Account. If the sum of a Party's monthly Forecast Transfer Revenue for the year is greater than the sum of the monthly Earned Transfer Revenue for the year, the Reconciliation Account Manager will issue an invoice to that Party for the difference between these two amounts. If the sum of a Party's monthly Forecast Transfer Revenue for the year is smaller than the sum of the monthly Earned Transfer Revenue for the year, the Reconciliation Account Manager will disburse funds from the Revenue Reconciliation Account to that Party for the difference between these two amounts.

b) Timeliness of Payment.

i) If a Party's monthly report is received by the Reconciliation Account Manager by the dates specified in Exhibit G, it shall be considered timely. If a Party's monthly report is received after the dates specified in Exhibit G, it shall be considered late.

ii) If a Party's monthly report is timely and includes a remittance advice for a balance due the Party, the Reconciliation Account Manager shall issue payment to the Party according to the schedule in Exhibit G. If a Party's monthly report is late and includes a remittance advice for a balance due the Party, the Reconciliation Account Manager shall issue payment to the Party within two weeks of the date of receipt.

iii) If a Party's monthly report is timely and includes a remittance advice for a balance due the Revenue Reconciliation Account, the Reconciliation Account Manager shall issue an invoice for payment to the Party according to the schedule in Exhibit G. If a Party's monthly report is late and includes a remittance advice for a balance due the Revenue Reconciliation Account, the Reconciliation Account Manager shall issue an invoice to the Party within two weeks of the date of receipt.

c) Late Fees.

i) If a Party's monthly report is timely and includes a remittance advice for disbursement from the Revenue Reconciliation Account and the Reconciliation Account Manager does not issue payment to the Party according to the schedule in Exhibit G, the Reconciliation Account Manager shall make payment to the Party for late fees equal to

Revenue is excess of Fare Revenue Recognized for the month in question. Payment to any Party upon receipt of a remittance advice for any and all Forecast Total Revenue Recognized in excess of Forecast Total Revenue for the month in question. Account Manager shall invoice and collect payments from each Party for any and all Fare Account Manager shall invoice and collect payments from each Party for any and all Fare Revenue Recognized in excess of Forecast Total Revenue for the month in question. Additionally, on a monthly basis, the Reconciliation Account Manager shall make

ii) **Monthly Revenue Reconciliation.** On a monthly basis, the Reconciliation Account Manager shall review the monthly reports provided by the Parties to verify that the quantities and serial numbers or series of regional passes received corresponds with the quantities sold, unreturned from consignment, lost, disposed of or destroyed.

i) **Regional Pass Activity Tracking.** On a monthly basis, the Reconciliation Account Manager shall review the monthly reports provided by the Parties to verify that the quantities and serial numbers or series of regional passes received corresponds with the quantities sold, unreturned from consignment, lost, disposed of or destroyed.

a) **Accounting Functions.** The Reconciliation Account Manager shall perform the following accounting functions:
 Sound Transit, at its sole expense, shall manage the Revenue Reconciliation Account Manager. The Reconciliation Account Manager shall manage the Revenue Reconciliation Account pursuant to this Agreement.

Section 13 RECONCILIATION ACCOUNT MANAGER

iv) If a Party does not make payment on an invoice from the Reconciliation Account Manager for balance due the Revenue Reconciliation Account within two weeks of receipt of said invoice, the Party shall make payment for late fees to the Revenue Reconciliation Account equal to annual interest of 5% calculated daily on a 360 day basis on the amount invoiced for each day beyond two weeks of the date of receipt of said invoice until payment is made.

iii) If a Party's monthly report is late and includes a remittance advice for a balance due the Revenue Reconciliation Account, the Party shall make payment for late fees to the Revenue Reconciliation Account equal to annual interest of 5% calculated daily on a 360 day basis on the amount due for each day beyond the scheduled monthly report receipt date until the report is received.

ii) If a Party's monthly report is late and includes a remittance advice for a balance due the Revenue Reconciliation Account and the Reconciliation Account Manager does not issue payment to the Party within two weeks of the date of receipt of said remittance advice, the Reconciliation Account Manager shall make payment to the Party for late fees equal to the annual interest of 5% calculated daily on a 360 day basis on the disbursement due each day beyond two weeks of the date of receipt of said remittance advice until payment is issued.

annual interest of 5% calculated daily on a 360 day basis on the amount due until payment is issued.

13480

13480 #

iii) **Periodic Revenue Reconciliation.** Pursuant to the schedule in Exhibit G, the Reconciliation Account Manager shall compare each Party's Forecast Baseline Revenue to the Earned Baseline Revenue for the specified preceding months. The Reconciliation Account Manager shall invoice any Party whose Earned Baseline Revenue is less than their Forecast Baseline Revenue for the preceding months. Additionally, the Reconciliation Account Manager shall make payment upon receipt of a remittance advice to any Party whose Earned Baseline Revenue is greater than their Forecast Baseline Revenue for the preceding period as specified in Exhibit G. Finally, as necessary to fulfill the Reimbursement Principles outlined in Section 10 of this agreement, the Reconciliation Account Manager shall invoice Sound Transit for issuance of payment from the Sound Transit Fare Integration Budget.

iv) **Annual Revenue Reconciliation.** Pursuant to the schedule in Exhibit G, the Reconciliation Account Manager shall invoice any Party whose Earned Total Revenue is less than their Forecast Total Revenue for the preceding calendar year. Additionally, the Reconciliation Account Manager shall make payment upon receipt of a remittance advice to any Party whose Earned Total Revenue is greater than their Forecast Total Revenue for the calendar year. Finally, as necessary to fulfill the Reimbursement Principles outlined in Section 10 of this Agreement, the Reconciliation Account Manager shall invoice Sound Transit for issuance of payment from the Sound Transit Fare Integration Budget.

b) **Reporting Functions.** No less frequently than two weeks after each Periodic Reconciliation, the Reconciliation Account Manager shall provide a report summarizing the regional pass inventory and revenue received and payments made by the Revenue Reconciliation Account.

i) **Pass Inventory Activity.** Reports by the Reconciliation Account Manager shall include the following pass inventory activity information:

- Quantity and serial numbers or series of Regional Passes distributed by Party and pass type;
- Quantity of Regional Passes distributed to sales outlets and to consignment accounts by Party and pass type;
- Quantity of Regional Passes returned for each sales month since the last periodic report by Party and pass type;
- Quantity of Regional Passes either sold, or not returned and not reported as sold for each sales month since the last period report by Party and pass type;
- Adjustments to inventory by Party and pass type, with corresponding documentation of disposition, i.e., miscellaneous inventory not received from vendor, quantity of passes lost in mail to individuals, retail or employer accounts, quantity damaged and quantity used as samples for training, etc.; and
- Quantity of Regional Passes unsold and destroyed or disposed of by Party and pass type.

13480

Previous reports shall be updated with the next report until all outstanding reconciling items, such as passes distributed on consignment and not returned or reported as sold, are accounted for.

(ii) **Reconciliation Account Activity.** Reports by the Reconciliation Account Manager shall include the following information about the Reconciliation Account:

- Summary of Monthly Reconciliations by Party;
- Summary of Periodic Reconciliations by Party;
- Summary of invoices to and payments from the Sound Transit Fare Integration Budget; and
- Monthly and periodic summary of total revenue received and disbursed by the Revenue Reconciliation Account.

(c) **Recordkeeping Functions.** The Reconciliation Account Manager shall maintain any and all records required to fulfill its accounting and reporting functions. Further, the Reconciliation Account Manager shall retain these records in accordance with the provisions of Section 20 of this Agreement.

Section 14 FARE MEDIA DESIGN AND PRODUCTION

a) **Shared Cost.** The cost of Regional Pass production shall be shared by the Parties. Each Party shall pay a share of the pass production costs equivalent to that Party's September 1, 1998 to August 31, 1999 pass production costs for those passes that will be replaced by Regional Passes. Sound Transit will pay the costs of Regional Pass production over and above the sum of all Parties' September 1, 1998 to August 31, 1999 pass production costs for those passes that will be replaced by Regional Passes.

b) **Shared Cost and Payment Timeline.** The procuring Party shall issue an invoice accompanied by substantiating documentation to the other Parties for their predetermined share of the Regional Pass production costs. Remittance shall be due and payable to the procuring Party within 30 days of receipt.

(c) **Denominations.** Regional Passes shall be produced with denominations and prices as listed in Exhibit B.

d) **Design.** The design of the Regional Pass will be subject to the approval by the Executive Director or General Manager of each Party. The design will include a clearly identified face value, start and end date, an unique serial number, and a magnetic stripe readable by King County Metro and Sound Transit fareboxes. The magnetic stripe shall be encoded with the face value, serial number, appropriate account codes and start and end dates of the Regional Pass.

e) **Quantities.** The Parties shall finalize the design of the Regional Pass and agree upon the number of Regional Passes of each face value and duration to be produced for each month

for the Initial Phase by April 14, 1999. For subsequent years, the Parties shall agree upon the number of Regional Passes of each face value and duration to be produced for each month of that year by the first business day of June of the preceding year.

f) Cash Transfers. The Parties agree that uniform transfer design is not required by this Agreement. However, the Parties agree to coordinate the letter and color of the day for cash transfers in order to facilitate intersystem cash transfers. Each Party's cash transfers will clearly indicate the time of expiration.

Section 15 FARE MEDIA DISTRIBUTION AND ACCOUNTING

a) Pass Distribution: Vendor to Parties. Distribution of Regional Passes to a Party shall be provided for through direct distribution from the production vendor. In accordance with a reasonable timeline established by the Party administering the contract with the production vendor, each Party shall identify the quantity and serial numbers of Regional Passes of each pass type to be delivered by the vendor for that month. A single written record of the transaction that identifies the quantity and serial numbers of passes distributed by pass type and the date of receipt shall be jointly produced by the production vendor and the receiving Party. That Party shall maintain the original of this record and provide a copy to the Reconciliation Account Manager to keep on file. Each Party shall provide the Reconciliation Account Manager and the vendor with a written notice of any discrepancies discovered after time of delivery. Each Party shall be responsible for all fare media it receives from the production vendor.

b) Pass Distribution: Party to Party. Distribution of Regional Passes may be facilitated through the redistribution of Regional Passes from Party to Party. A single written record of the transaction that identifies the quantity and serial numbers of passes redistributed by pass type and the date of receipt shall be jointly produced by the Parties. The receiving Party shall maintain the original of this record and provide a copy to the Reconciliation Account Manager to keep on file. Each Party shall be responsible for all fare media it receives from another Party.

c) Pass Distribution to Outlets. Each Party shall distribute Regional Passes to the retail, over the counter, and employer outlets for which it is responsible as defined in Section 16.

d) Pass Revenue Collection. Each Party shall collect Regional Pass sales revenue and unsold Regional Passes from their outlets as defined in Section 16 in a timely fashion. Each Party shall maintain written records of Regional Passes sold by and unsold/returned from its outlets for each calendar month.

e) Discretionary Amount. Each Party shall maintain written records of any Discretionary Amounts it incurs for Regional Pass distribution or promotional activities beyond the discretionary expenses incorporated into the Party's Total Forecast Revenue.

f) Destruction of Unsold Media. Each Party shall manage at its own expense destruction or disposal of unsold regional fare media.

13480

13480

g) Reporting to Reconciliation Account Manager. Each Party shall provide the Regional Fund Manager with a monthly written report as outlined in Section 11 and according to the schedule outlined in Exhibit G.

h) Additional Administrative Costs. Any Party experiencing additional administrative costs due to increased pass sales and distribution resulting from the sale of Regional Passes may provide documentation of these costs to the Designated Representatives for consideration of reimbursement or cost sharing.

Section 16 PASS SALES

a) Sales Policies. Each Party shall, at its own expense, sell Regional Passes through its network of retail, over the counter, and consignment outlets. Each Party shall determine the variety of denominations of Regional Passes sold through its network of sales outlets and shall be responsible for revenue lost due to purchases made on accounts with insufficient funds.

i) Commissions. The regional policy on issuance of commissions to Regional Pass consignees and resellers for the sale of Regional Passes is outlined in Exhibit C. Each Party may at its own discretion continue its existing policies or adopt future policies different than the regional policy on issuance of commissions. Such deviations shall be either incorporated into an Agency's calculation of Total Forecast, Recognized and Earned Revenue or reported as a discretionary expense with each Monthly Reconciliation report. Revision of the regional policy on issuance of commissions shall require the written approval of the General Manager or Executive Director of each of the Parties. Following such action, the designated representatives shall revise Exhibit C as appropriate.

ii) Exchange and Refund Policies. The regional policy on issuance of exchanges or refunds to customers for returned, or replacements for lost, or stolen Regional Passes is outlined in Exhibit D. Revision of the regional policy on issuance of exchanges, refunds and replacements shall require the written approval of the General Manager or Executive Director of each of the Parties. Following such action, the Designated Representatives shall revise Exhibit D as appropriate.

iii) Relationships with Retailers. With the exception of Sound Transit, the Parties shall be responsible for managing the network of retail fare media sales outlets in their Service Area. Only one agency will be responsible for and provide passes to a given retailer.

b) Employer Consignment Sales. Each Party shall, at its own expense, allow employers to purchase Regional Passes at full price for their employees. Each Party may, at its own expense, allow any employer to consign passes for sale to employees. As part of an employer consignment program, each Party may allow any or all employers it serves to pay for annual Regional Passes through twelve equal monthly installments.

i) **Party Responsibility.** Each Party shall be responsible for administering employer pass consignment and prepayment programs for those employers located in their Service Area. In cases where an employer has employment sites located in the Service Area of more than one Party, the Parties will mutually resolve which Party shall have responsibility for the employer in question. Further, in situations where benefits will be derived for both the Parties and employer, the Parties may mutually resolve that a Party has responsibility for an employer outside of its Service Area. Regardless, the Parties intend that only one Party will be responsible for and provide passes to a given employer.

ii) **Employer Discount Programs.** The regional policy on issuance of discounts to employers for Regional Pass sales is outlined in Exhibit E. Each Party may at its own discretion provide additional discounts beyond those established in the regional policy at its own expense to the extent such discounts are not reflected in an agency's average fare per boarding. Revision of the regional policy on issuance of discounts to employers for Regional Pass sales shall require the written approval of the General Manager or Executive Director of each of the Parties. Following such action, the designated representatives shall revise Exhibit E as appropriate.

iii) **Existing Employer/Institutional Specific Pass Programs.** As outlined in Section 11, Employer/Institutional Specific Pass Programs will be governed by separate agreements, and revenue from these Programs may be excluded from Forecast Total Revenues and Earned Total Revenues pursuant to Exhibit H. Existing Employer/Institutional Specific Pass Programs are identified in Exhibit F.

iv) **Additional Employer/Institutional Specific Pass Programs.** If any Party implements additional Employer/Institutional Pass Programs, that Party shall provide a written report to the Reconciliation Account Manager listing such additional Programs pursuant to that Party's Periodic Report schedule as identified in Exhibit G. This report shall also show how that Party's Earned Baseline Revenue for that reporting period has been adjusted to exclude boardings and revenue from these additional Programs if such adjustment is required pursuant to Exhibit H. In such cases, the Designated Representatives shall amend Exhibit F to include any such additional Programs.

Section 17 FARE MEDIA ACCEPTANCE POLICIES

a) **Regional Passes.** Each Party shall accept Regional Passes at face value as payment for Transportation Service. When the fare of a Party's Transportation Service is equal to or less than the face value of the Regional Pass, the customer shall be able to use this service at no additional charge. When the fare of a Party's Transportation Service is greater than the Regional Pass face value, the customer shall pay an upgrade equal to the difference between the fare and the face value of the Regional Pass.

b) **Marketing Program.** The Parties recognize that the development of a Regional Pass marketing and information program is a critical component of the Regional Pass program's success. Sound Transit's advertising agency will be responsible for the development of an umbrella marketing program. Sound Transit shall include all Parties in review and approval of this marketing program. The cost of the development and implementation of this umbrella

a) **Initial Phase.** The Parties recognize that, at a minimum, the Initial Phase of operating under this Agreement will give rise to certain issues and that special measures are needed during the transition to the new Regional Pass. Such issues include, but are not limited to, existing annual passes and their associated operating programs, phase out of single/local agency passes, roll-out of Regional Passes, revenue reconciliation process and schedule, and marketing program development, implementation, and costs.

Section 18 INITIAL PHASE REQUIREMENTS AND COMMENTS

When a customer with a valid cash transfer boards Transportation Service requiring a base fare operated by a Party, the customer shall owe no additional fare. When a customer with a valid cash transfer boards Transportation Service requiring a fare greater than a base fare, the customer shall pay a transfer upgrade equal to the difference between the fare for that service and the Party's base fare.

- Community Transit - local fare
- Everett Transit - local fare
- King County Metro - 1-zone fare
- Pierce Transit - local fare
- Sound Transit - 1-zone Regional Express bus fare

e) **Cash Transfers.** Each Party shall accept valid Sound Transit cash transfers at the accepting Party's base fare. Sound Transit shall accept valid transfers from the other Parties at Sound Transit's base fare. Cash transfers are valid when used on the same day of issue and prior to the transfer's time of expiration. The definition of a base fare is as follows:

d) **Paratransit.** Each Party shall accept Regional Passes at face value for paratransit service. When the fare of a Party's paratransit service is equal to or less than the face value of the Regional Pass, the customer shall be able to use the service at no additional charge. When the fare of a Party's paratransit service is greater than the Regional Pass face value, the customer shall pay an upgrade equal to the difference between the paratransit fare and the face value of the Regional Pass. This agreement in no way shall infringe upon each Party's authority to establish paratransit policies and administer a paratransit program pursuant to those policies.

c) **Van pools.** Regional Passes shall not be accepted as partial or full payment towards vanpool fares by any Party.

b) **Reduced fares.** The Parties may require customers using Regional Passes for reduced fare payment on Transportation Services to show a valid Regional Reduced Fare Permit.

13480

program will be borne by Sound Transit. The marketing and information program will contain at a minimum those components necessitated by similar programs of comparable scope and size. The umbrella program does not include the cost for the production of Regional Passes. All other marketing materials or programs that are a part of an individual Party's regular marketing program shall be the sole responsibility of that individual Party.

(c) Phase-out of Single/Local Agency Passes. Each Party shall determine which of its local passes will be phased out. The Parties shall coordinate the phase-out of local agency passes. An individual Party may choose to keep one or more of its local passes, however, it shall make Regional Passes available for sale at its outlets in the denominations it deems appropriate, and shall accept Regional Passes on its Transportation Services according to this agreement

(d) Roll-out of Regional Passes. The Parties shall jointly determine the roll-out process and schedule for the Regional Passes.

Section 19 FUTURE FARE CHANGES

a) Coordination. Each Party shall notify all other Parties if a fare change is anticipated to be required to support the revenue requirements in a proposed budget at the time the budget is proposed, and in an adopted budget as soon as possible following the adoption of that budget. This notification shall include the magnitude of the revenue to be raised/reduced through increased/decreased fares and the anticipated timing of such fare change. Each Party shall provide the Reconciliation Account Manager with any public information on fare policies or fare alternatives under review and consideration at the time such information is made publicly available. The Reconciliation Account Manager shall make copies of this information available to the other parties upon request. Each Party shall notify the Reconciliation Account Manager of any proposed fare change, and the Reconciliation Account Manager shall make this information available to other parties upon request. Each Party shall notify the Reconciliation Account Manager of any fare change adopted by that Party's board within one week after such adoption. This notification shall identify the fare changes and the change in fare revenue anticipated from these changes. The Reconciliation Account Manager shall make copies of this information available to the other Parties upon request.

b) Regional Pass Denominations. Any Party may add pass denominations to the Regional Passes shown in Exhibit B in order to accommodate a fare change adopted by that Party's board, as long as the price of the pass is such that the proportional difference between the pass face value and the pass values of the adjacent pass categories is equal to the proportional difference between the number of cash rides per pass for this pass and those adjacent pass categories. The Party shall bear the full production costs for this pass less any production costs savings from reduced production of other pass categories.

(c) Regional Pass Production. Any Party anticipating a fare change that results in the requirement of new pass denomination(s) must notify the procuring Party's Contract Administrator at least six (6) months prior to the effective date of said pass(es) in order to ensure

identical reproduction methods and, thus, pass likeness, or four (4) months prior in order to ensure a reasonable facsimile thereof.

Section 20 AUDIT AND REPORTING REQUIREMENTS

a) **Audit Record Retention.** In keeping with the requirements of the Federal Transit Administration (FTA), established in 49 CFR 18.36 and OMB Circular A-110, during the term of this Agreement and for three (3) years thereafter, the Parties agree to retain intact and to provide any data, documents, reports, records, contracts, and supporting materials relating to the Agreement as the FTA may require. Termination of this Agreement does not alter these requirements.

b) **Federal (FTA) Reporting Requirements.** Each of the Parties shall be independently responsible for reporting accurate ridership and revenue data to the National Transit Database, and any other such reporting requirements which are or may be imposed by the Federal government for recipients of Federal funds.

c) **Audit Report.** Each Party shall provide to the Reconciliation Account Manager its annual audit by the Washington State Auditor's Office and will notify the Reconciliation Account Manager upon completion of any additional comparable audits by a qualified outside auditing firm of the data, documents, reports, records, contracts, and supporting materials relating to this Agreement.

d) **Audit by Reconciliation Account Manager.** Each Party hereby authorizes the Reconciliation Account Manager to audit its data, documents, reports, records, contracts, and supporting materials relating to this Agreement. Each Party shall provide the Reconciliation Account Manager with all documents and information necessary or useful in conducting the audit. The Reconciliation Account Manager shall make said documents and information available to any Party for inspection, upon provision of reasonable advance notice. The Reconciliation Account Manager hereby authorizes any other Party to audit its data, documents, reports, records, contracts, and supporting materials relating to this Agreement. Thirty days advance notice shall be provided before any audit occurring pursuant to this subsection.

e) **Costs.** Each Party shall bear its own staff and out-of-pocket expenses in complying with the reporting and audit provisions of this Agreement.

Section 21 DISPUTE RESOLUTION

In the event of any dispute concerning any provision of this Agreement or upon the request of any Party, the General Managers and Executive Directors of the Parties shall confer to resolve the dispute. In the event the Parties are unable to resolve the dispute, the Parties may submit the matter to a mutually agreed upon, non-binding mediator who shall recommend a resolution within 30 days.

13480

Any Party for its convenience, and without cause or for any reason whatsoever, may withdraw from participation in this Agreement by providing written notice of termination, sent certified mail, return receipt requested, to all of the other Parties at least ninety (90) days in advance of the effective date of the withdrawal; provided, however, that a withdrawing Party shall be subject to the next occurring Periodic and Annual Reconciliation and shall make such payments or shall be eligible to receive such disbursements as may result from the Periodic and Annual Reconciliation. A withdrawing Party shall (i) pay any amounts it became obligated to pay the other Parties or any one of them as a result of this Agreement including the cost of its share of Regional Passes that may have been produced up to the time of receipt of notification; (ii) make any contributions required to be paid to other Parties under this Agreement for costs which such other Parties became obligated to pay prior to the effective date of the withdrawal; (iii) assign all rights to any grants related to the Regional Pass Program covered under this Agreement as directed by the remaining Parties. In the event a Party withdraws, the remaining Parties shall amend this Agreement as necessary to reflect changes in cost and revenue allocations. In the event of withdrawal by a Party, this Agreement shall terminate as to that Party but shall continue in effect with respect to the remaining Parties. However, the termination of this Agreement with respect to one or more Parties shall not affect any of the Parties' rights or obligations, including any rights or obligations of a withdrawing Party, that are expressly intended to survive termination.

Section 22 TERMINATION

13480

a) Indemnification. To the maximum extent permitted by law, each Party shall defend, indemnify and hold harmless the other Parties and their officials and employees from and against all claims, demands, suits, actions, costs, damages, and liability of any kind whatsoever that arise out of or are related to the acts or omissions of the indemnifying Party and its officials, employees, agents and contractors. The indemnifying Party specifically assumes liability for actions brought by its own employees against the other Parties and for that purpose the indemnifying Party specifically waives, as respects the other Parties only, any immunity under the Worker's Compensation Act, RCW Title 51. The indemnifying Party recognizes that this waiver was the subject of mutual negotiation and is expressly entered into pursuant to the provisions of RCW 4.24.115, if applicable. In the event a Party incurs attorney's fees, costs or other legal expenses to enforce the provisions of this section against another Party, all such fees, costs and expenses shall be recoverable by the prevailing Party.

b) Severability. If any portion of this Agreement is found to be unenforceable by a court of competent jurisdiction, the remaining terms and provisions unaffected thereby shall remain in full force and effect. This Agreement shall be governed by the laws of the State of Washington.

c) No Third Party Beneficiaries. The Parties agree this Agreement is solely for the benefit of the Parties hereto and is not intended to grant any rights or benefits to any other parties.

13480

d) **Assignment.** No Party may assign or transfer in any manner any interest, obligation or benefit under this Agreement without the prior written consent of all the Parties.

e) **Amendment.** This Agreement shall be modified or amended only by signature of the duly authorized representatives of the Parties; provided, however, that the Exhibits attached hereto and identified in Section 3 may be amended or modified by the Designated Representatives pursuant to the process and limitations identified in Section 8.

f) **Entire Agreement.** This Agreement embodies the Parties' entire agreement on the issues covered by it, except as supplemented by subsequent written agreements that the Parties make. All prior negotiations and draft written agreements are merged into and superseded by this Agreement.

g) **Independent Agencies.** No joint venture or partnership is formed as a result of this Agreement. No employees or agents of one Party or any of its contractors or subcontractors shall be deemed, or represent themselves to be, employees or agents of any other Party.

h) **Counterparts.** This Agreement may be executed in several counterparts, each of which shall be considered for all purposes as an original.

i) **Excused Performance.** Each Party shall be excused from performance of its obligations under this Agreement and shall not be liable for damages to the other Parties to the extent it is unable to perform as a result of circumstances beyond the reasonable control of that Party, including but not limited to acts of God, acts of war or civil disturbances, riots, strikes, labor actions, accident, fire and water damage.

P-AWGMAWG06D

By _____
Sandy Byers, CMC
Clerk of the Board
Date _____

ATTEST:

By _____
Willy Gortissen
Director of Finance & Administration
Date _____

By _____
Don S. Monroe
Executive Director
Date _____

Print or type name _____
Date _____

By _____
Signature _____

SNOHOMISH COUNTY PUBLIC TRANSIT
BENEFIT AREA CORPORATION

PIERCE COUNTY PUBLIC
TRANSPORTATION BENEFIT AREA
CORPORATION

By _____
Rick Walsh
General Manager, Transit Division
Date _____

Attest: _____
Sharon Marks, City Clerk

KING COUNTY

Print or type name _____
Date _____

By _____
Mark Stone, City Attorney

Approved as to Form:

By _____
Edward D. Hansen, Mayor

By _____
Signature _____

CENTRAL PUGET SOUND REGIONAL
TRANSIT AUTHORITY

CITY OF EVERETT

IN WITNESS WHEREOF, each Party has caused this Agreement to be signed by its duly authorized officer or representative as of the date set forth below its signature.

13480

13480 N

EXHIBIT A

Designated Representatives

Jay Peterson
Market Development Supervisor
Pierce Transit
3701 96th St. SW
Tacoma, WA 99070
(253) 984-8203

Don Billen
Systems Integration Project Coordinator
1100 Second Avenue, Suite 500
Seattle, WA 98101
(206) 684-1605
(206) 689-3523 (fax)

Tony Fuentes
System Planner
Community Transit
Everett, WA
(425) 348-2314
(425) 348-2319 (fax)

Rachel Heade
Program Manager
Everett Transit
Everett, WA
(425) 257-8932
(425) 257-8964 (fax)

Chuck Sawyer
Senior Research Associate
King County Metro
821 Second Avenue, M.S. 150
Seattle, WA 98104
(206) 684-1512
(206) 684-2059(fax)

Denominations (Face Value)	One-week	Two-week
\$3.00 or 3.50	\$30 or \$35	\$60 or \$70
\$4.00	\$40	\$80

One-week and Two-week Regional Passes will be available from Souder Ticket Vending Machines in the following denominations with the following prices

Denominations (Face Value)	Monthly Pass	Three Month Passes	Annual Pass
\$4.00	\$144		
\$3.50	\$126		
\$3.00	\$108		
\$2.75	\$99.00		
\$2.50	\$82.50		\$908
\$2.25	\$81.00		
\$2.00	\$72		\$792
\$1.75	\$63	\$189	\$693
\$1.50	\$54		
\$1.25	\$45	\$135	\$495
\$1.00	\$36		\$396
\$.75	\$27		
\$.50	\$18		

Regional Passes will be produced in the following denominations and with the following prices.

EXHIBIT B

13480

The regional policy on issuance of commission to Regional Pass consignees and resellers for the sale of regional fare media shall be that no commission is paid.

on issuance of commissions to Regional Pass consignees
and resellers for the sale of regional fare media.

REGIONAL POLICY

EXHIBIT C

13480

13480

EXHIBIT D

REGIONAL POLICY

on issuance of exchanges to customers for returned passes and refunds to customers for returned, lost, or stolen Regional Passes.

The regional policy on issuance of refunds to customers for returned, lost, or stolen Regional Passes shall be that no refunds are issued.

13480

EXHIBIT E

REGIONAL POLICY

on issuance of discounts to employers for Regional Pass sales.

The regional policy on issuance of discounts to employers for Regional Pass sales shall be that no discount is provided.

13480

EXHIBIT F

EMPLOYER/INSTITUTIONAL SPECIFIC PASS PROGRAMS

As outlined in Section 11, Employer/Institutional Specific Pass Programs shall be excluded from Forecast and Earned Total Revenue and shall be managed separately from this Agreement. Employer/Institutional Specific Pass Programs defined under this Agreement consist of Upass, EdPass, and the FlexPass programs listed below.

KING COUNTY TRANSIT EMPLOYER/INSTITUTIONAL SPECIFIC PASS PROGRAMS

Status	Employer/Institution	Jurisdiction	Revenue/ Boardings Excluded?	Notes
C	AAA of Washington	Belleuve	Yes	
C	AirTouch Cellular	Belleuve	Yes	
C	Allied Signal	Redmond	Yes	
C	AT&T Wireless	Belleuve	Yes	
C	AT&T Wireless (Corp HQ)	Redmond	Yes	
C	AT&T Wireless (NCE)	Kirkland	Yes	
C	Bayliss Brand Wagner	Belleuve	Yes	
C	Belleuve, City of	Belleuve	Yes	
C	CH2M Hill	Belleuve	Yes	
C	Costco Wholesale	Issaquah	Yes	
C	HBS International	Belleuve	Yes	
C	HDR engineering	Belleuve	Yes	
C	Interling	Kirkland	Yes	
C	Kenworth Truck Co. HQ	Kirkland	Yes	
C	Metapath Corp.	Belleuve	Yes	
C	MetLife Capital Corp (GE Cap)	Belleuve	Yes	
C	Meydenbauer Center	Belleuve	Yes	
C	Microsoft	Redmond	No	
C	Nintendo of America	Redmond	Yes	
C	Optiva	Belleuve	Yes	
C	Overlake Hospital Medical Ctr	Belleuve	Yes	
C	PACCAR, Inc. (HQ)	Belleuve	Yes	
C	Parametrix	Kirkland	Yes	
C	Sierra On-line, Inc.	Belleuve	Yes	
C	Safeco (Willows Rd)	Redmond	Yes	
C	Svedrup Civil, Inc.	Belleuve	Yes	
C	Unigard Insurance, Inc.	Belleuve	Yes	
C	United Advertising	Bothell	Yes	
C	Publication			
C	Van Waters and Rogers	Kirkland	Yes	
C	Acordia Northwest	Seattle	Yes	

13480

Status	Employer/Institution	Jurisdiction	Revenue/ Boardings Excluded?	Notes
C	Adobe Systems, Inc.	Seattle	Yes	
C	Archdiocese of Seattle	Seattle	Yes	
C	Assoc. Counsel for Accused	Seattle	Yes	
C	AT&T Wireless (ACD)	Seattle	Yes	
C	AT&T Wireless (Eastlake)	Seattle	Yes	
C	Capital Industries	Seattle	Yes	
C	CareWise, Inc.	Seattle	Yes	
C	CB Commercial	Seattle	Yes	
C	ConnexT	Seattle	Yes	
C	Expeditors International	Seattle	Yes	
C	Fred Hutchinson Cancer Res. Ctr.	Seattle	Yes	
C	King County	Seattle	Yes	
C	Korry Electronics	Seattle	Yes	
C	Public Defender	Seattle	Yes	
C	Merchant's Parking / Transia	Seattle	Yes	
C	Minor & James Medical	Seattle	Yes	
C	NW Defenders Assn.	Seattle	Yes	
C	Northwest Hospital	Seattle	Yes	
C	PCC/Fremont	Seattle	Yes	
C	Public Facilities District	Seattle	Yes	
C	Public Stadium Authority	Seattle	Yes	
C	RealNetworks	Seattle	Yes	
C	RTA / Sound Transit	Seattle	Yes	
C	Romac Industries	Seattle	Yes	
C	Sea Comm Coll. (empl)	Seattle	Yes	
C	Sea Comm Colleges (stu)	Seattle	Yes	
C	Seattle Filmworks	Seattle	Yes	
C	Seattle Housing Authority	Seattle	Yes	
C	Seattle Pacific University	Seattle	Yes	
C	Shoreline, City of	Shoreline	Yes	
C	Society of Counsel	Seattle	Yes	
C	United Airlines (Resv. Ctr.)	Seattle	Yes	
C	URS Greiner	Seattle	Yes	
C	University of Washington	Seattle	No	
C	Visio Corporation	Seattle	Yes	
C	WA Dental Service	Seattle	Yes	
C	WA Dept. of Transportation	Seattle	Yes	
C	WRQ	Seattle	Yes	
C	U.S. Federal Detention Ctr.	Seatac	Yes	
C	Weyerhaeuser Company	Fed Way	Yes	

Legend

C = Current customer

N = New customer since last service change

E = Customer exited the program since last service change

INTERIM REGIONAL PASS AND FARE

RECONCILIATION PROGRAM AGREEMENT

EMPLOYER/INSTITUTIONAL BOARDINGS AND REVENUES EXCLUDED FROM
 AVERAGE FARE PER BOARDING AND FORECAST AND EARNED REVENUE

Boardings	Revenue
Forecast Annual - Prior Service Change	
Forecast Annual - This Service Change	
Change in Forecast Annual Since Last Service Change	
Change in Period Since Prior Service Change	
Change for Balance of Calendar Year	

COMMUNITY TRANSIT EMPLOYER/INSTITUTIONAL
 SPECIFIC PASS PROGRAMS

Company/Institution Name	Pass Program	Excluded From Revenue Estimate?
King County Metro	Flexpass	Yes
Fred Hutchinson CRC	Flexpass	Yes
Sound Transit	Flexpass	Yes
City of Shoreline	Flexpass	Yes
Connext	Flexpass	Yes
WASHDOT	Flexpass	Yes
Safeco	Flexpass	Yes
Nintendo	Flexpass	Yes
GE Financial	Flexpass	Yes
Acordia	Flexpass	Yes
Adobe	Flexpass	Yes
University of Washington	UPass	Yes
Edmonds Community College	EdPass	Yes

3480

Exhibit G

13480

Regional Fare Revenue Reconciliation Schedule for 1999/2000

Monthly Reconciliation: Initial Phase (9/1/99-12/31/99)

Following a remittance advice by a Party with a balance due to the Revenue Reconciliation Account, invoices issued by the Reconciliation Account Manager for payment are due upon receipt.

Party	Monthly Reconciliation 1		Monthly Reconciliation 2		Monthly Reconciliation 3		Monthly Reconciliation 4	
	Dates	Report for Monthly Revenue Reconciliation Due to RAM	Dates	Report for Monthly Revenue Reconciliation Due to RAM	Dates	Report for Monthly Revenue Reconciliation Due to RAM	Dates	Report for Monthly Revenue Reconciliation Due to RAM
KCM	9/1/99-9/30/99	10/30/99	10/1/99-10/31/99	11/30/99	11/1/99-11/30/99	12/30/99	12/1/99-12/31/99	1/31/00
		2/15/00		2/15/00		2/15/00		2/15/00
CT, PT and ST	9/1/99-9/30/99	10/31/99	10/1/99-10/30/99	11/15/99	11/1/99-11/30/99	12/15/99	12/1/99-12/30/99	1/15/00
		1/30/00		1/30/00		1/30/00		1/30/00

Subsequent Monthly Reconciliation

13480

Party	Monthly Reconciliation 1		Subsequent Monthly Reconciliations	
	Dates	Report for Monthly Revenue Reconciliation Due to RAM	Dates	Report for Monthly Revenue Reconciliation Due to RAM
KCM	1/1/00-1/31/00	2/28/00	3/15/00	15th day of 2nd month following the reporting month
CT, ET, PT and ST	1/1/00-1/31/00	2/15/00	2/28/00	End of month following the reporting month

Following a remittance advice by a Party with a balance due to the Revenue Reconciliation Account, invoices issued by the Reconciliation Account Manager for payment are due upon receipt.
Periodic and Annual Reconciliation

Following a remittance advice by a Party with a balance due to the Revenue Reconciliation Account, invoices issued by the Reconciliation Account Manager for payment are due upon receipt.

Party	Periodic Reconciliation 1		Periodic Reconciliation 2		Periodic Reconciliation 3		Periodic Reconciliation 4		Periodic Reconciliation 5		Annual Reconciliation	
	Dates	Earned Baseline Revenue Report to RAM	Dates	Earned Baseline Revenue Report to RAM	Dates	Earned Baseline Revenue Report to RAM	Dates	Earned Baseline Revenue Report to RAM	Dates	Earned Baseline Revenue Report to RAM	Dates	Earned Baseline Revenue Report to RAM
KCM	9/1/99-2/10/00	3/13/00	2/11/00-5/31/00	7/1/00	N/A	6/1/00-9/20/00	11/20/00	9/21/00-12/31/00	3/10/01	1/1/00-12/31/00	1/1/00-12/31/00	1/31/01
CT, ET, PT and ST	9/1/99-12/31/99	1/31/00	1/1/00-3/31/00	4/30/00	7/31/00	7/1/00-8/31/00	10/31/00	9/1/00-12/31/00	1/31/01	1/1/00-12/31/00	1/1/00-12/31/00	1/31/01

Key:

EABFR – Estimated Actual Baseline Fare Revenue Report

RAM – Reconciliation Account Manager

EAITFR – Estimated Actual Interagency Transfer Fare Revenue

INTERIM REGIONAL PASS AND FARE RECONCILIATION PROGRAM AGREEMENT

EXHIBIT H

Revenue Reconciliation Methodology

Methodology for Establishing Average Fare per Boarding, and Forecasted and Actual Baseline, Total and Transfer Revenue.

1. Average Fare per Boarding

Each Party shall develop an initial estimate of average fare per boarding from the most recent data available on Fare Revenue Recognized and Boardings for a consistently defined period of time prior to July 1, 1999. Each Party may update this initial estimate based on available data through August, 1999. Each Party shall identify whether Fare Revenue Recognized used in developing average fare per boarding reflects its existing policies with regard to commissions, refunds, intersystem fare discounts, and revenue foregone from distribution of passes for promotional purposes. A Party may develop separate estimates of average fare per boarding for pass and cash boardings, and for boardings by service and customer category if appropriate data are available and that Party can reasonably expect to collect consistent data on boardings by category before and after the implementation of Regional Passes. Average fare per boarding estimates may exclude both the fare revenue and boardings from the Employer/Institutional Specific Pass Programs identified in Exhibit F to the extent that consistent data on both boardings and revenues are available.

Because Sound Transit does not have historical data to calculate fare revenues per boarding it shall clearly document the methodology it uses to estimate its fare revenues per boarding. Subsequent year estimates of revenue per boarding for Sound Transit shall be developed from information provided by the Annual Research Program.

2. Forecast and Actual Boardings
Each Party shall estimate forecast and actual total boardings in a manner consistent with its National Transit Database reports.

3. Forecast Baseline and Total Revenue
Forecast Baseline (9/1/99-12/31/99)
Initial Phase (9/1/99-12/31/99)
Each Party's Forecast Total Revenue shall follow the general form of:

$$\text{Forecast Total Revenue} = \text{Forecast Baseline Revenue} + \text{forecasted [(average fare/boarding) \times (\text{number of boardings})]$$

Where:

- fares and boardings from Employer/Institutional Specific Pass Programs may be excluded to the extent data are available;
- forecasted boardings do not include new boardings resulting from Local-Sound Transit Boardings, for all Parties other than Sound Transit; and
- average fare per boarding does not include fare discounts for Local-Sound Transit Boardings.

13480

- Average fare/boarding and boardings may be disaggregated by pass, cash, service and customer category to the extent data are available.

Subsequent Years

Each Party's Forecast Total Revenue shall follow the general form of:

$$\text{Forecast Total Revenue} = \text{Forecast Baseline Revenue} + \text{Forecast Transfer Revenue}$$

Where:

- Forecast Baseline Revenue = forecasted $\{[(\text{average fare}/\text{"non Local-Sound Transit Boarding"}) \times (\text{number of "non Local-Sound Transit Boarding"})]\}$
- Forecast Transfer Revenue = forecasted $[(2/3) \times (\text{average fare}/\text{"Local-Sound Transit Boarding"}) \times (\text{number of "Local-Sound Transit Boarding"})]$
- Fares and boardings from Employer/Institutional Specific Pass Programs may be excluded to the extent data are available.
- Average fare/boarding and boardings may be disaggregated by pass, cash, service and customer category to the extent data are available.

1. Earned Revenue

Initial Phase (9/1/99-12/31/99)

Each Party's Earned Revenue shall follow the general form of:

$$\text{Earned Total Revenue} = \text{Earned Baseline Revenue} + [(\text{average fare}/\text{boarding}) \times (\text{boardings})]$$

Where:

- Fares and boardings from Employer/Institutional Specific Pass Programs are excluded to the extent data are available;
- average fare per boarding does not include fare discounts for Local-Sound Transit Boardings.
- Average fare/boarding and boardings may be disaggregated by pass, cash, service and customer category to the extent data are available.

Subsequent Years

Each Party's Earned Total Revenue shall follow the general form of:

$$\text{Earned Total Revenue} = \text{Earned Baseline Revenue} + \text{Earned Transfer Revenue}$$

Where:

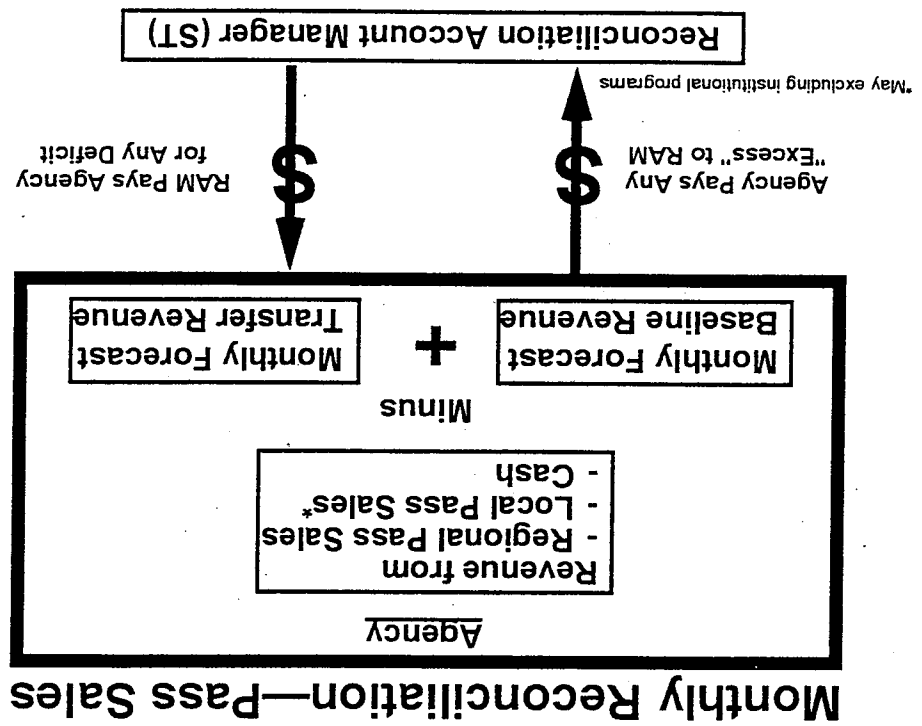
- Earned Baseline Revenue = (average fare/boarding) \times (number of "non Local-Sound Transit Boardings")
- Earned Transfer Revenue = $[(2/3) \times (\text{average fare}/\text{"Local-Sound Transit Boarding"}) \times (\text{number of "Local-Sound Transit Boardings"})]$

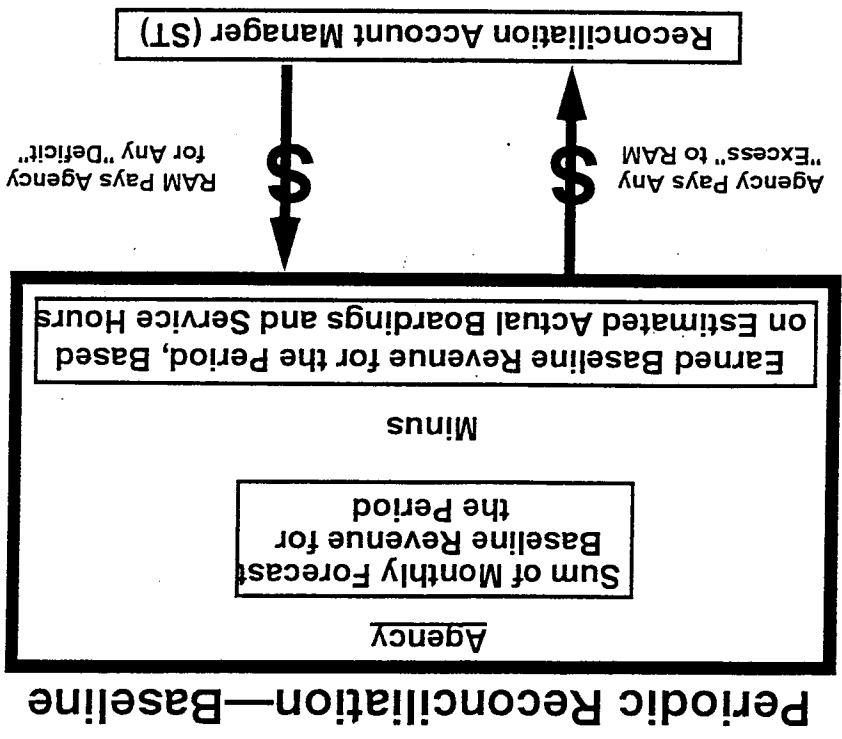
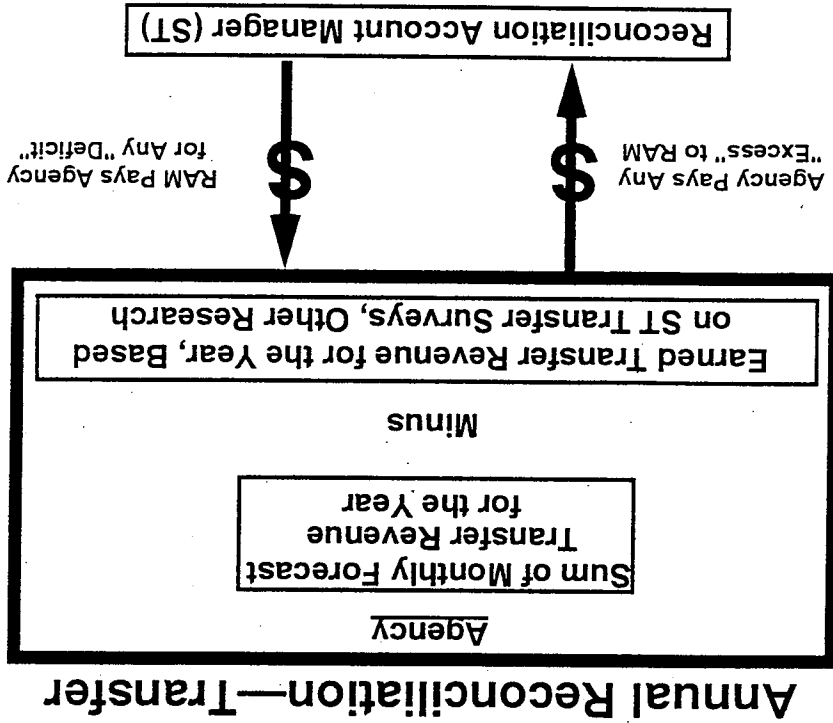
13480

- fares and boardings from Employer/Institutional Specific Pass Programs may be excluded to the extent data are available.
- Average fare/boarding and boardings may be disaggregated by pass, cash, service and customer category to the extent data are available.

1. Schedule for Developing Forecast Transfer Revenue Estimates
 - Preliminary Estimates for following year
June 1
 - Final Estimates for following year
November 1

Figure 1: Conceptual Summary of Reconciliation Events





13480