



**July 25, 2018**

**To:** Finance and Administration Committee  
**From:** Darrell E. Johnson, Chief Executive Officer  
**Subject:** Fiscal Year 2018-19 Budget Amendment

### **Overview**

The budget authority for the purchase of the OC Streetcar vehicles was included in last year's budget. However, negotiations on this contract were finalized shortly after the start of the new fiscal year. Staff proposes to amend the Orange County Transportation Authority Fiscal Year 2018-19 Budget in order to properly align the actuals and budget authority in the same fiscal year.

### **Recommendation**

Amend the Orange County Transportation Authority's Fiscal Year 2018-19 Budget by \$51,527,520, to accommodate Agreement No. C-6-1445, for the purchase of eight streetcar vehicles, spare parts, and special tooling for the OC Streetcar project.

### **Background**

On March 26, 2018, the Board of Directors (Board) authorized the Chief Executive Officer to negotiate and execute Agreement No. C-6-1445 between the Orange County Transportation Authority (OCTA) and Siemens Industries, Inc., in the amount of \$51,527,520, for the purchase of eight streetcar vehicles, inclusive of sales tax, system support, spare parts, and special tooling.

### **Discussion**

The OCTA Budget Policy requires that the budget authority match the year in which an item is encumbered. The contract to purchase OC Streetcar vehicles was expected to be encumbered last fiscal year where the item was originally budgeted. However, negotiations extended into the first few weeks of fiscal year (FY) 2018-19. As a result, the budget authority needs to be added to this fiscal year.

**Fiscal Impact**

An amendment to the OCTA FY 2018-19 Budget, Capital Programs Division, Account 0051-9024-TS010-Z71, in the amount of \$51,527,520, is required to accommodate Agreement No. C-6-1445.

**Summary**

Negotiations for the purchase of OC Streetcar vehicles were finalized shortly after the start of the new fiscal year. Since the contract will be encumbered in FY 2018-19, the budget authority for this item needs to be moved from FY 2017-18 to FY 2018-19.

**Attachment**

None.

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