

County of Santa Clara

Office of the County Executive

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Jeffrey V. Smith
County Executive

September 30, 2010

Laura Phillips, Executive Director
Bay Area UASI
10 Lombard Street, Suite 410
San Francisco, CA 94111

Dear Ms. Phillips,

On September 3, 2010, I wrote to you expressing my concern that the requirements of the Memorandum of Understanding to which the County of Santa Clara is a party have not been followed in the Project Cornerstone project. Your letter of September 17, 2010, did not respond to my concerns.

My September 3, 2010, letter is clear and direct, yours is inaccurate, misleading, and non-responsive.

Over \$50 million of federal tax dollars has been awarded to a sole source vendor through a process which you and your Management Team orchestrated. The proposed vendor, as it works out, is a company that previously employed you, giving the impression that the sole source process was specifically designed to avoid competition. This is an enormous legal and ethical problem.

As you know, California law is designed to encourage competition and prevent "special" deals with colleagues and friends. The current process is tainted because of its opacity to the public and to the Bay Area UASI Governing Board itself. It is time for you to stop trying to justify and divert attention—it is time to start over with a transparent process.

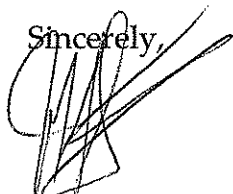
Project Cornerstone involves resources, which our agencies have worked tremendously hard to bring to the Bay Area. The anticipated communications infrastructure will make up the backbone of a critical network in the region. Yet our staff members have been denied the

ability to review and comment upon the scope of the work proposed, to understand what expenditures may be required by our general funds to make the project operational and what obligations may continue to be our responsibility to maintain once the project is completed. That is unacceptable.

My letter was also clear that the Memorandum of Understanding, the governance document for the Bay Area UASI, vests the authority for policy decisions and for allocation of funding for all UASI-funded projects in the Approval Authority. However, you have acted without that authority's direction in obligating our agencies for the broadband project. You and your staff invested enormous energy in supporting the BTOP grant, and should only have done so if the Approval Authority was fully informed of the scope of your proposed effort and had approved the manner in which you conducted the process. This was not the case.

Santa Clara County, as a member of the Approval Authority, will continue to press to have all decision-making done by the Authority in open meetings with the full participation of its members and affiliated agencies. We are obligated to the communities which we serve, especially to our public safety members, and we will do our best to fulfill our obligations in this regard. We will continue to pursue any and all appropriate legal channels in order to assure that the interests of the citizens of the Bay Area, and those of Santa Clara residents, are preserved and promoted in a transparent and ethical manner.

Sincerely,



Jeffrey V. Smith
County Executive

- c: Bay Area UASI Approval Authority Members
Honorable Mayor Chuck Reed, City of San Jose
Deputy City Manager Deanna Santana, City of San Jose
Deputy County Executive Emily Harrison
County Counsel Miguel Marquez