

Correspondence – Audit Subcommittee – September 22, 2011
Received as of Wednesday, September 21st – 3:00 PM

Dear Members,

The City Administrator's job is as the chief executive officer for Piedmont.

That \$275,000.00 coveted job is to follow public procurement guidelines and to award public contract awards.....always..... to the lowest responsible bidder.

The fundamental bidding criteria process for the awarding of "public contracts" for any State-County-City is the same. The decision principles, pitfalls and red flag warnings are the same whether its for a new fire engine, new police cars, tree trimming services, street repaving, city hall HVAC system, new tot lot, new copier machine, new sewers, etc..... or a undergrounding utility project.

Cardinal Rule # 1: You never award a public contract to a **non-responsive** bidder.

*A mathematically "unbalanced" bid, that has irregular unit [rock] numbers (\$2190.00 vs \$420.00)is a textbook.....**NON-RESPONSIVE BID.***

The PHUUD Audit Committee report states that Valley Utility's bid was unbalanced.

Valley Utility's bid...."clearly"..... should have been disqualified and thrown out.

The PHUUD project was in a doomed "death spiral" once Mr. Grote awarded it.

Mr. Grote has 22 years of recognizing & disqualifying non-responsive bidders???

The end-less executive errors with PHUUD, Crest Road, Harris & Assc and Kurtin lawsuit has cost tax payers well over 3 million dollars.

There is a toxic executive and managerial culture, entrenched at City Hall. City staff employees and the public have lost their trust and faith with Mr. Grote.

Piedmont has replaced its city attorney, city clerk and public works director. *I request that the three members on this Audit Committee recommend in its report, to the City Council that they should begin the process to replace Administrator Grote and hire a new City Administrator for the City of Piedmont.*

Neil Teixeira

Presenting factual information to this Committee has been a waste of time. There has been no substantive look at staff's part in this debacle. Whether the Engineers are at fault is a matter entirely separate from the failure at City Hall. Once bedrock is found the first week, Staff's actions and none actions are inexcusable. This is not protected by Attorney/Client privilege. That privilege has been used improperly and unnecessarily; evidently this Committee and Staff were predisposed to shield Staff. If staff acted with gross incompetence and negligence, the Harris and Gray attorneys will no doubt find this out in discovery. Minimally we could have been given a semblance of honesty.

The Audit Sub-Committee has done its job of delaying any real examination of this financial disaster. Mr. Barbieri and Mr. Chiang voted to gift millions of dollars in public funds on the information and advise given to them by a staff run by Mr. Grote. Now Mr. Barbieri and Mr. Chiang are examining themselves and their staff is Mr. Grote. They dismiss pleas for a real independent examination, calling this mere "opinion." This isn't Bell, California or some third world banana republic, or so I thought.

This farce will be continued when the entire City Council accepts this report with thanks for a job well done. Residents should be outraged both by the public funds that have been gifted away, and the sham audit of their tax dollars that paid for the PHUUD residents removal of their "unsafe" utility poles. Unfortunately, too many residents are complacent as their wallets get fleeced. Other residents that are having their own special interests taken care will want this corrupt system to remain.

Rick Schiller