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June 7, 2016

The Hon. Nikki R. Haley, Governor,
State of South Carolina
1205 Pendleton Street
Columbia, SC 29201

Dear Governor:

Re: DOT's Procurement of Design-Build Services

The DOT recently procured about \$221 million of design-build services for a road in North Charleston. **THIS WAS A NO BID PROCUREMENT.**

All procurements of design-build services by government are no bid. I have no criticism of use of design-build by the private sector. Its use by government can be justified occasionally; I think never by South Carolina. To disguise flawed justification, many governments and their journalistic friends misuse the word bid when the facts require proposal.

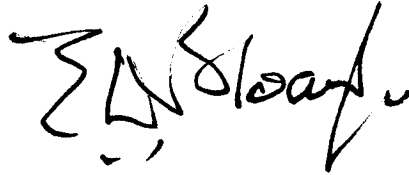
Assuming the design of a construction project is 6% of the total cost of the project; that was \$13 million of design services (professional services) and \$208 million of construction services.

Universal good government procurement law is to use the so-called competitive sealed proposal (CSP) method using a Request for Proposal (RFP) to select its source of procurement of professional services, a subjective process (Brooks Act). Professional procurers realize that any subjective process is conducive to corruption, but they've been unable to devise a better method. Universally, selection by government of its source of procurement of construction services is the competitive sealed bid (CSB) method using an Invitation for Bids (IFB), a purely objective process. The CSB, method, correctly used, effectively defeats efforts to corrupt procurement. Those two methods of selection are incompatible. Design-builders promote the use of the method

devised to procure 6% of the work to apply to the entire procurement in an effort to defeat the objective process.

I urge you to try to stop DOT from procuring design-build for any project. Lack of in-house design capacity is a false reason to procure design-build; DOT routinely procures professional services including design.

Yours very truly:

A handwritten signature in black ink, appearing to read "J. N. Sloat". The signature is stylized with a large, sweeping initial "J" and a long, horizontal stroke extending to the right.