Virgin Islands Legislature
Committee on Disaster Recovery and Infrastructure
Honorable Senator Janelle K. Sarauw, Chairperson
Thursday, February 3, 2021

Hearing to receive updates on the recovery of the Territory’s healthcare facilities following the catastrophic storms of 2017. The committee will also receive updates on the procurement processes and expenditure of COVID-19 funds by the respective facilities.

Testimony of
Christopher E. Finch
Chairman, Virgin Islands Government Hospital and Health Facilities Corporation

Good morning Honorable Chairperson Janelle K. Sarauw, members of the Committee on Disaster Recovery and Infrastructure, other members of the 34th VI Legislature, Senate Staff, fellow testifiers, and the listening and viewing audience.

I am Christopher Finch. I am the chairman, of the Virgin Islands Government Hospital and Health Facilities Corporation more commonly known as the territorial board. I am also a member of the St Croix District Governing Board for the Governor Juan F. Luis Hospital.

Thank you for this opportunity to testify. I will make remarks from the territorial board’s perspective concerning the topics of this hearing, namely procurement processes, impact of Covid-19 on operations and the progress towards the recovery of the healthcare facilities. The Board’s role is one of oversight, approval, and support. We provide approvals for the selection of vendors, ensure that procurement protocols were followed, and the projects proceed in a manner that meets local and federal funding and regulatory standards. We receive regular updates on progress and provide support to hospital leadership. Our task goes beyond the processing of paperwork and nuts and bolts of new
construction and major renovations. The rebuilding of our major healthcare facilities are far more than construction projects. We have the responsibility and opportunity to design health care facilities to take us far into the future. What ultimately gets built needs to meet current standards and provide flexibility for future changes and additions. Working in concert with the hospital staff and the community, the Board will not lose sight of this ultimate goal.

Joining today, along with leadership from both hospitals, is Mr. Darryl Smalls who leads the Hospital Redevelopment Team as Executive Director of Facilities and Capital Development. In this capacity, Mr. Smalls will be reporting directly to the Territorial Board while working closely with the leadership of both hospitals. We are thrilled to have the services of Mr Smalls and feel confident he will bring the new projects to outstanding success.

Before I proceed any further, I want to thank the Office of Disaster Recovery led by Ms Adrienne Williams-Octalien. Ms Williams-Octalien has advised, assisted, advocated for and pushed us on all recovery projects. She has met with the Territorial Board to provide information and guidance whenever we have asked her to.

**Impact of Covid-19 on recovery**

As we know for almost a year now, all the work towards the hospital’s recovery has been done while under the pressure of ensuring readiness to treat a surge of Covid-19 patients. The hospitals have recognized their number one priority is to be ready if the community needs them. Hospitals did not have the luxury of waiting to see if there was a surge. They had to prepare for the worst as best they could. We thank the almighty and the policies of the Governor, with the support of the Legislature, that we have thus far not had a surge. With the territory administering vaccines for the past 7 plus weeks we are hopeful
we are on the road to completely avoiding a surge. There is no doubt, however, that the responses to the challenges posed by coronavirus has slowed our progress towards recovery.

Planning and working towards permanent recovery was impacted by both hospitals needs to plan for a possible surge of Covid-19 patients. On St Croix, the intensive care unit was rebuilt, a National Guard dormitory was retrofitted, and the former hospital cafeteria was also prepared for surge patients. We certainly thank the National Guard for their hard work.

On St Thomas, under the leadership of Dr. Luis Amaro and Mr. Smalls, a hospital wing was retrofitted to be ready for a Covid-19 surge. This went along with the herculean efforts that were made to do post-hurricane repairs and keep the Roy L. Schneider Hospital functioning.

Few actually understand the magnitude of the task that has faced the Juan F. Luis hospital since the Irma and Maria hurricanes. JFL leadership and staff have had to manage a hospital in a compromised facility with constant ongoing maintenance and repair needs, build a temporary structure that must meet all regulatory standards and function for several years, and design and build a new hospital that will take care of us in the near and far future. All this has to be accomplished in the present Covid-19 environment. A lot of credit goes to Ms Dyma Williams and her leadership staff.

**Procurement Processes**

The territorial board has an oversight and approval role in the procurement process. We adopted a procurement policy, updated in 2018, which follows the provisions of Section 245a of Title 19, which is the procurement statute for the hospitals, along with applicable provisions of Title 31, as well as the grant requirements for our federally funded
procurements. This function is carried out in several steps. A few times a month, an informal procurement meeting is held with both hospitals to discuss upcoming procurements and to strategize on any upfront issues. Both hospitals follow a best practice process whereby the procurement roles are differentiated. For example, a division of the hospital can express a need for something, the CFO approves the estimated funding, the attorney drafts an RFP, the procurement officer issues the RFP and handles the bidding process. This avoids having one person handle the entire procurement process. There are various ways the bidding can be done. The default method is competitive bidding, but the statute provides exceptions for certain hospital equipment, supplies and services. In general we want to receive three bids. Once bids are received, the procurement officer convenes a procurement committee whose members evaluate and score the responses. Importantly, the committee members must sign a no conflict-of-interest certification. The Procurement Director creates a procurement file with the relevant documents and creates a justification memo for the CEO to approve which includes a description of the procurement process followed and justification for the recommended winner of the RFP. From there, if the request exceeds $100,000, it is vetted through the JFL District Board, the Territorial Board Finance Committee and finally, the Territorial Board.

Several months ago the Territorial Board’s legal counsel created sample contracts for construction and professional services that track those in use by the Department of Property & Procurement and conform to federal requirements. Use of these contract forms is still new, but it is our expectation that consistent use and the inclusion of the sample contract forms in the RFPs will further enhance and facilitate the procurement process as well as contract administration. The board has a formal written Conflict of interest Policy.
with annual disclosure statements by all Board members and all employees involved in procurement.

**JFL North**

The work for JFL to recover from the hurricane damage is two-fold. First, JFL is constructing a temporary hardened facility that is now named JFL North. Tremendous work has gone into the construction of this site. Although utilitarian looking from the outside, anyone who has had the privilege of seeing the inside, has seen a beautiful, state of the art hospital. We thank the developer, Aptim, for their work. The main building construction and provision of the furniture, fixtures and equipment for JFL North is deemed to be almost complete. Additional work to fully complete the hospital and ensure it meets all regulatory standards are at various stages of completion. This includes the installation of the Radiology Unit, Construction of the Ambulance Ramp, Utility Connections, new telephone and communication conduits, new sewer and fire water lines, relocation and possible replacement of propane tanks, construction of a utility and mechanical building, and installation of an oxygen generator. The final step will be for Commissioning Services which is a 3rd party assessment to ensure all regulatory requirements have been met and all equipment works as it should. JFL leadership is testifying today on the many challenges they have faced in completing JFL North. It is discussed at every board meeting district and territorial and the board is provided a bi-monthly written progress update. It is everyone’s goal to finish.

**Permanent Hospital new construction and major renovations**

At the territorial board’s request, the Department of Property and Procurement conducted the RFP process to choose architectural and engineering firms for the new construction or substantial renovations for the Juan F. Luis Hospital, the Roy Lester
Schneider Hospital, the Charlotte Kimmelman Cancer Center and the Myra Keating Smith Cancer Center. The Hospitals were represented in the process by Mr. Darryl Smalls who led a team of additional hospital staff. The Territorial Board approved each of P&P’s recommendations choosing three vendors:

- Flad and Associates, Inc. for Juan F. Luis Hospital for $13,539,442
- EYP Architects and Engineers for two projects - Roy Lester Schneider Hospital for $5,870,000 and the Charlotte Kimmelman Cancer Center for $936,000, and,
- The Smith Group, Inc for the Myrah Keating Smith Community Health Center for $1,529,770.

Each A&E firm was subsequently sent a sample contract. They made responses which we have been analysing to determine what we can accept. During this process, we discovered that our original approval for Flad and Associates, the A&E firm for Juan F. Luis Hospital omitted the cost for reimbursable expenses. During its January 2021 meeting the territorial board approved the additional expense. I am pleased to announce that the contract for Flad and Associates was just sent back to them for their signature. Since Flad was the largest and most complex contract, we anticipate that the next three contracts will be completed quickly. It is our goal to complete those contracts this month.

I thank this Legislature for its work in assisting JFL with purchasing additional adjoining land which will help with the new hospital rebuild. Having the additional acreage provides more options for siting the new hospital, allows construction to potentially start without having to first demolish the existing hospital and provides for future growth and perhaps for the first time, adequate parking.

In conclusion, I thank this committee for its interest and support and the hearing today. I thank my fellow board members. We meet frequently and our meetings are long.
They are smart, dedicated, and passionate advocates for the hospitals and for health care. I am proud to serve alongside them. I thank the CEOs and the leadership teams of both hospitals for their accomplishments, hard work, and grace in very difficult jobs. I also thank the staff of the hospital medical centers - the doctors, nurses and support staff who take care of us in our need in certainly far less than ideal facilities at this time.

This concludes my testimony and I am available to answer questions at the appropriate time.