

**Virgin Islands Legislature  
Committee on Budget,  
Appropriations, and Finance  
Honorable Senator Novelle E. Francis, Chairperson  
Friday, August 15, 2025**

**Testimony of  
Darryl A. Smalls, P.E.  
Executive Director  
Territorial Hospital Redevelopment Team  
Virgin Islands Government Hospital and Health Facilities Corporation**

Good morning Honorable Senator Novelle E. Francis, Chairman of the Committee on Budget, Appropriations and Finance, of the 36th Legislature and other Honorable Senators of the Committee, other Honorable Senators of the 36th Legislature, Senate Staff, fellow hospital testifiers, and the listening and viewing audience. My name is Darryl A. Smalls, Executive Director of Facilities & Capital Development for the Territorial Hospital Redevelopment Team (THRT), which I serve under the leadership of Chairman, Dr. Jerry Smith of the Virgin Islands Government Hospital and Health Facilities Corporation (GHHFC) also referred to as the Territorial Hospital Board (TBOD). As the Executive Director of the THRT, my primary role is to manage and oversee the planning, programmatic design, final design, bidding, project management, construction, procurement and close out for the redevelopment of the Governor Juan F. Luis Hospital (JFLH), the Roy L. Schneider Hospital (RLSH), the Charlotte Kimelman Cancer Institute (CKCI) and the Myrah Keating Smith Community Health Center (MKSCHC).

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I Thank you for this opportunity to join Chief Executive Officer, Darlene A. Baptiste, and the Executive Leadership Team of the Governor Juan F. Luis Hospital as a part of their Fiscal Year 26 Budget Presentation to share testimony this morning as it pertains specifically to the status of the reconstruction of JFLHI and the various enabling projects which are essential to the eventual demolition and reconstruction which include JFL North, Critical Administration, Cassava Gardens, 5 Acre Development, Interim Dialysis, Interim Radiology Services and the IV Compounding Suite.

With respect to the Governor Juan F. Luis Hospital (JFLH), as of June 2025, through the Office of Disaster Recovery and as a part of the "project bundling," a formal solicitation was publicly advertised for the third time to select a contractor who would partner with the Territory to reconstruct our hospitals in each district. Bids were received and are currently under review. Utilizing the Construction Manager at Risk or CMAR approach as it is known in the construction industry, seeks to onboard a contractor with proven healthcare construction experience to ensure the required scopes of work can be achieved within budget and on schedule in this ever-changing environment we currently face. The THRT along with the Leadership of JFLH and the Architect of Record previously completed all programming and design efforts which culminated with final design plans and specifications almost two years ago that have since received approved permits for construction of the replacement hospital. As such, once a contractor is onboarded, we will immediately commence with the review of the existing plans to ensure we remain in alignment with current market conditions and will adjust accordingly without compromising the ability to deliver quality healthcare to the residents of St. Croix.

In order to commence with the reconstruction of JFLH, there were several projects that needed to be undertaken, some of which are substantially completed and others that must commence and/or be completed post haste. These enabling projects as mentioned earlier include both JLF North and Critical Administration projects which are both substantially completed whereas Cassava Gardens, 5 Acre Development, Interim Dialysis, Interim Radiology and the IV Compounding Suite are all in varying stages.

- Cassava Gardens Building - This project, which entails the build-out of an existing structure, once completed, will provide an off-site administrative facility to house all non-clinical operations of the Governor Juan F. Luis Hospital that presently remains within the existing structure. Once staff are relocated, this will enable the eventual demolition of JFLH. This site will consolidate the administrative operations and will also provide the much-needed storage for all medical, non-medical and food supplies in a central location in a safe and environmentally conducive space. This site is slated to be completed and ready to move-in by November 2025.
- 5 Acres Development – This project when completed will include parking for more than 200 vehicles, provide a 10,000 SQFT structure to support the operations of the THS. Thus far the contractor has cleared approximately 5 acres of dense vegetation and commenced with the development for the foundation of the support building, the detention pond that is important to control stormwater runoff as well as the access roadway to the site. The structure will include space

for Material Management, “ready service storage,” Maintenance, Medical Records and Medical Waste handling operations to include interim storage. Currently situated to the east of the THS, the 5-acre site once completed will connect via a two-lane roadway to the main roadway to the west of the THS, formally known as Pepper Tree Road, or the Claude A. Benjamin Memorial Drive. This project is ongoing and is contracted to be completed by December 2025.

- Interim Dialysis Facility – This project when completed will enable the relocation of the current out-patient dialysis operations from trailers into a hardened facility. The start of this project could not commence until we received notification from FEMA of the approved funding. We were formally notified during the last week in July 2025 and have already commenced with executing the contract with a notice to proceed to be issued not later than September 2025. It is important to note that a contractor was previously selected through the solicitation process. The relocation of the current dialysis operations is critically important to the demolition of JFLH as the trailers presently reside within the demolition zone. We will be working closely with both the selected contractor for the demolition/construction phases of the new JFLH and the contractor selected for the interim dialysis facility to ensure a timely and safe transition.
- Interim Radiology Services – This project when completed will facilitate the relocation of the existing out-patient Radiology Services which have continued to

be performed in a limited capacity within JFLH to the Virgin Islands Cardiac Center. Similar to the out-patient dialysis services, the relocation of the radiology functions is critically important to the eventual demolition of the JFLH. The scope of work entailed in this project includes minor electrical, plumbing and modification of existing spaces to accommodate the interim services. Completion for the work effort is slated for the first quarter of 2026.

- IV Compounding Suite – This project when completed will facilitate the relocation of the existing Pharmacy operations which have continued to be performed within JFLH. A solicitation was completed for this work effort and a contractor selected. A dedicated funding source is required to be identified to complete this work effort. Initially, the intent was to utilize funding which remained from the THS project (FEMA), however, it was determined that this scope of work is ineligible, thus these funds could not be utilized.
- Critical Administration – The Critical Administration building, which was recently completed, enabled the JFLH Critical Clinical personnel who remained within JFLH, to be relocated into the facility in April 2025. This interim structure, which is located adjacent to the THS and provides connectivity to the Virgin Islands Cardiac Center (VICC), was designed to provide working space for key clinical staff who support the operations of the THS 24/7. This facility also provides the non-emergent main entrance into the THS and must also be sustained operationally until the new hospital is completed.

- JFL North/ Temporary Hardened Structure (THS) – JFLH clinical operations were relocated to the interim THS facility in April 2023. Since the relocation, we have continued to monitor the conditions of the interim facility in an effort to justify the need for continued financial resources that will be needed to sustain and maintain operations until the new JFLH is constructed and ready for occupancy. Presently, there are areas that have been identified for remediation to ensure the continued safe and operational performance.

As we slowly transition from interim projects to permanent projects, we continue to experience challenges across the Territory that include the global supply markets, the limited workforce within the Territory for both skilled and un-skilled labor, housing, and the unstable pricing resulting from the threats of the imposition of tariffs. Disruptions and shortages in steel, aluminum, wood building materials, microchips, and plastic raw materials (to name a few) are all prevalent in today's driven marketplace and are not unique to any singular company, material, or channel. These disruptions and shortages are generally caused by the increasing demands, and consolidations in the entire supply chain. These issues are generally outside the scope of control on any vendor and or supplier. To date we have experienced:

- Changes in raw material lead times routinely provide little or no advance notice of a pending change
- The changing lead times are not consistent and are not limited to specific material, grade, and/or supplier

- The lack of notice and continuous disruption has created a challenging environment for scheduling

One approach we are contemplating to combat the various challenges is to order in advance the components that have long lead times as well as to ensure standardization of material, equipment and systems. This approach will be beneficial to the Territory both in the immediate as well as in the long term specifically with respect to the standardization of systems which upon start-up, will aid with the maintenance and training of personnel who will be tasked to maintain and ensure the operational reliability of these major systems for many years to come. Some of these systems will include both mechanical and electrical, vertical lifts or elevators as well as generation equipment to name a few.

Each of the aforementioned factors are also impacted by shipping challenges into our Territory as well as secure and enclosed temperature-controlled storage facilities, all of which contribute to the overall challenges with accurately managing project schedules. The Project Management Team utilizing various available scheduling and forecasting technologies will coordinate these activities in conjunction with the selected contractors to minimize and mitigate any potential impacts. Despite these challenges, the THRT will remain in constant communication with our vendors and will ensure that we remain transparent with our TBOD and the Leadership of our Hospital's and equally important, our Virgin Islands community.

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As I conclude my brief project update, I want to thank this body for your continued support for the office of the Territorial Hospital Redevelopment Team in both the St. Croix and the St. Thomas/St. John Districts. To my Team, I want to publicly thank each of you for your dedication, your commitment, and your tireless efforts to this mission we have embarked upon as well as the Territorial Board and the Leadership of the JFLH for your unwavering support. Thank You!

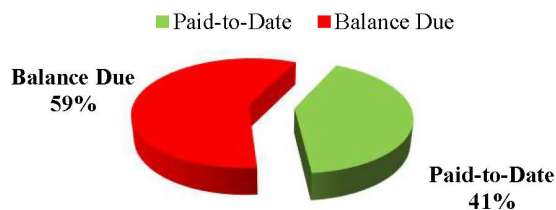
This concludes my update on the status of the rebuilding efforts specific to the Governor Juan F. Luis and the various enabling projects which in totality facilitate the eventual demolition of the existing JFLH. I will remain available to answer questions at the appropriate time. At this time, I would like to return the presentation to Chief Executive Officer Darlene A. Baptiste.



## FINANCIALS:

<b>Governor Juan F. Luis Hospital A/E Professional Services</b>						
Project Name	Contractor/Firm	Project Cost	Paid-to-Date	Percentage	Balance Due	Project Status
Gov. Juan F. Luis Hospital A/E Services	Flad Architects	\$20,531,129.21	\$11,315,524.58	55%	\$9,215,604.63	Work-in-progress
Gov. Juan F. Luis Hospital 5 Acre Parcel Development	Flad Architects	\$2,031,767.28	\$1,171,431.79	58%	\$860,335.49	Work-in-progress
CMU Building Design	CMA Architects & Engineers LLC	\$623,350.00	\$493,132.50	79%	\$130,217.50	Construction Administration
Gov. Juan F. Luis Hospital Hemodialysis A/E Services	Flad Architects	\$725,474.00	\$441,339.18	61%	\$284,134.82	Work-in-progress
Governor Juan F. Luis Hospital Interim Outpatient Care Facility	Flad Architects	\$501,248.75	\$196,936.19	39%	\$304,312.56	Work-in-progress
<b>Governor Juan F. Luis Hospital Construction Projects</b>						
Project Name	Contractor/Firm	Project Cost	Paid-to-Date	Percentage	Balance Due	Project Status
CMU Construction	Lemartec	\$11,240,171.74	\$9,280,510.59	83%	\$1,959,661.15	Closeout-in-progress
Critical Admin Construction	Lemartec	\$7,200,379.61	\$6,226,010.78	86%	\$974,368.83	Closeout-in-progress
Governor Juan F. Luis Hospital 5 Acre Parcel Development	Grace Civil LLC	\$33,230,270.00	\$0.00	0%	\$33,230,270.00	NTP Issuance
<b>Governor Juan F. Luis Hospital Leases</b>						
Project Name	Contractor/Firm	Project Cost	Paid-to-Date	Percentage	Balance Due	Project Status
Cassava Gardens Construction	Cruzan Group LLC	\$2,880,000.00	\$ 1,003,200.00	35%	\$1,876,800.00	Work-in-progress
Cassava Gardens Parking	Cruzan Group LLC	\$534,512.79	\$ 507,787.15	95%	\$26,725.64	Work-in-progress
Hemodialysis Outpatient Care Facility	12 Northside Holdings LLC	\$609,506.00	\$ 163,314.40	27%	\$446,191.60	Cost Alignment
<b>Governor Juan F. Luis Hospital North Completion (New Contracts)</b>						
Project Name	Contractor/Firm	Project Cost	Paid-to-Date	Percentage	Balance Due	Project Status
Med Gas System Testing & Certification	Compliant Healthcare Technologies, LLC	\$25,875.60	\$24,875.60	96%	\$1,000.00	Completed
Fire Alarm System Inspection, Interconnection, Testing, and Certification	Caribbean Protection Services	\$21,647.00	\$9,741.15	45%	\$11,905.85	Completed
Door Hardware Installation, Door Hardware Repairs, Door Hardware Contract Amount Correction	Caribbean Lock LLC	\$110,396.00	\$99,759.45	90%	\$10,636.55	Completed
Temporary and Permanent Signage	Cool Signs LLC	\$176,547.80	\$158,677.02	90%	\$17,870.78	Completed
Nurse Call System	Trintech VI LLC	4,500.00	\$4,050.00	90%	\$450.00	Completed
Door Entry Intercom System	Trintech VI LLC	\$48,500.68	\$43,650.61	90%	\$4,850.07	Completed
General Repairs	Trintech VI LLC	\$49,596.62	\$47,116.76	95%	\$2,479.86	Completed
General Repairs	Lemartec USVI	\$911,607.59	\$820,059.30	90%	\$91,548.29	Completed
Supplemental Contract	Lemartec USVI	\$3,034,276.29	\$2,882,562.47	95%	\$151,713.82	Closeout-in-progress
Projects Total		Paid-to-Date			Balance Due	
<b>Grand Total</b>		<b>\$84,490,756.96</b>	<b>\$34,889,679.52</b>			<b>\$49,601,077.44</b>

### % of Financial Standing



### FINANCIAL STANDING

