



DEPARTMENT OF PROPERTY AND PROCUREMENT

TESTIMONY BEFORE THE 35TH LEGISLATURE OF THE VIRGIN ISLANDS

**COMMITTEE ON GOVERNMENT OPERATIONS, VETERANS AFFAIRS, & CONSUMER
PROTECTION**

THE HONORABLE SENATOR CARLA J. JOSEPH, CHAIR

EARLE B. OTTLEY LEGISLATIVE CHAMBERS

AUGUST 23, 2023

Good morning Honorable Carla J. Joseph, Chairwoman of the Committee on Government Operations, Veterans Affairs, and Consumer Protection, members of the Committee, non-committee members of the 35th Legislature, employees of the Department of Property and Procurement, fellow testifiers, and the viewing and listening audience.

I am Lisa Maria Alejandro, Commissioner Designee of the Virgin Islands Department of Property and Procurement (DPP), and with me today in Chambers to provide testimony are Assistant Commissioner Jozette J. Walker, Deputy Commissioner of Property and Printing Vincent Richards, Deputy Commissioner of Procurement Krythemer Edmead, and Chief Legal Counsel Magdalene A. Morancie, Esq. We are here, pursuant to your invitation, to provide testimony on the Department's operations, particularly summarizing the Department's enabling laws, along with a listing of the past three (3) years of solicitations, a listing of executed contracts, current contracts, status of proposed legislation, status of standard operating policies, and current agency challenges and our plans to resolve them. A listing summarizing all solicitations for the last three (3) fiscal years is attached as Exhibit A. The Executed Contract Listing for Fiscal Year 2023, is attached as Exhibit B. A current listing of all in progress contracts being prepared by the Department of Property and Procurement is attached as Exhibit C and the existing listing of all Government – owned properties is attached as Exhibit D.

OVERVIEW OF OPERATIONS

The Department of Property and Procurement operates pursuant to Title 3, Sections 211-221; Title 31, Sections 151-169, Sections 201-205, Sections 231 -251; and Sections 281-283, of the Virgin Islands Code and the corresponding rules and regulations. The Department's mission is "to administer a sustainable and value-based system of procurement and property management focused on fostering stakeholder relationships, incentivizing technology, furthering process improvements and building public trust. This manner of business extends to ensure operations are conducted efficiently, transparently, and fairly." The Department has general management and control of four (4) areas of government operations:

- 1) The Division of Property and Printing administers a comprehensive leasing program which manages the day-to-day real estate operations on behalf of the Government of the

Virgin Islands acting as its landlord and leasing agent, manages the Government's property insurance program, and functions as the Government's printing office. The Space Management Unit manages one hundred ninety (190) Executive Branch leases with a leasehold value of \$9,693,639.58 in annual expenditures. The Business & Commercial rent roll is valued at \$3,781,739.76 annually.

- 2) The Division of Procurement, which includes the Warehousing and Central Stores, and Vendor Management units, is responsible for the acquisition of all Central Government purchases for goods and services, administration of contracts, vendor relations, and general supply services. Over the past three (3) fiscal years, the Division of Procurement conducted **532** solicitations and executed **1,540** contracts totaling **\$1,145,135,830.37**. Not included in this total are the cost values tied to supply and task-order contracts since they are executed at rate costs and fulfilled on an as needed basis. Presently, the Division has approximately **68** pending contracts with a value amounting to approximately **\$80 Million**, and **50** pending solicitations which value is unknown at this time. It is important to note that these values change constantly, and they represent the Department's counts at the time the information was prepared for today's hearing.
- 3) The Division of Transportation and its Central Motor Pool Unit oversees the fleet management and maintenance of the government's fleet within the Executive Branch.
- 4) The Asset Management Unit is responsible for administering the fixed asset inventory database, creating assets, tagging goods, conducting physical inspection of fixed assets, tracking existing fixed assets, managing the retirement/disposal of assets, and transferring and disposal of assets.

With a dedicated team of 85 active employees, the Department remains focused on the implementation of its enterprise-wide electronic solutions in Procurement through GVIBUY, in Property through FOLIOUSVI and in Transportation through GVIFLEET.

Proposed Legislation:

Presently, the Department has in draft proposed legislation to:

- Raise and align the acquisition thresholds with the federal standards.
- Create flexibility within the procurement regulations that align with federal regulations for inflation adjustments, and participation in cooperative agreements, and member state agreements.
- Expand exemptions to create greater efficiencies for first responder agencies.
- Reduce the subleasing threshold from 35% to 25% and reduce the number of required appraisals for acquisition of property.

Standard Operating Policies and Procedures

On November 21, 2022, the Department of Property and Procurement issued its Procurement Manual incorporating standard operating procedures (“SOP”) for acquisition planning, methodologies, requisitioning, and checklists, to include step-by-step procedures for utilizing the Government’s e-Procurement System GVIBUY. Further, as process improvements are implemented, the electronic Procurement Manual is updated to reflect those changes and the revised manual was issued, as recently as July 31, 2023. Pending in draft, are the Department’s Asset, Transportation, and Property Manuals which we expect to release in Fiscal Year 2024. These manuals include SOPs for purchasing, receiving, utilizing, managing, retention, and disposal of the Government’s assets. In addition, internal SOPs for our employees’ various day-to-day functions are being revised and updated as the Department continues to update its practices and move towards digitization of our operations.

Current Challenges:

While the Department continues its efforts to provide training and professional development opportunities for its employees, adequate staffing, and recruiting remains the crux of divisional challenges. For example, as the disaster recovery projects sweep their way into the workflow, an already lean staff must manage project timelines of all other federal and locally funded projects,

while at times assuming work assignments of their peers when faced with employee absences and leave.

Next, our legal counsel's team continues to undertake the influx of contracts and leases, and all other agreements while providing drafting and pre-review support to other government agencies that have no counsel or dedicated procurement staff. Additionally, managing revenue collections and reconciliations of the Department's lease portfolio, central stores, transportation and printing revolving funds, as well as gasoline purchases are similarly impacted by limited staff. Staffing shortages at our sister agencies also challenge the Department's operations as there is a trickle effect from agency staffing shortages that result in untimely requests for various services.

Our plans to address the aforementioned are ongoing and include the utilization of cooperative contracts and member state solicitations. Additionally, with the assistance of Director Williams-Octalien of the Office of Disaster Recovery, we were able to fill two (2) contract administrator positions, focused on disaster recovery projects. as we pursue other funding opportunities.

I am truly grateful for the team of professionals I work with at the Department of Property and Procurement, their hard work and dedication cannot be measured, and I look forward to our continued growth. Thank you for the opportunity to present our testimony, and the Team and I stand ready to answer your questions.