



DEPARTMENT OF PROPERTY AND PROCUREMENT

**TESTIMONY OF MAGDALENE A. MORANCIE, ESQ., CHIEF LEGAL COUNSEL
ON BEHALF OF
LISA MARIA ALEJANDRO, COMMISSIONER**

BEFORE THE 35TH LEGISLATURE OF THE VIRGIN ISLANDS

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

FRITS E. LAWAEZ LEGISLATIVE CONFERENCE ROOM

ST. CROIX, U.S. VIRGIN ISLANDS

DECEMBER 18, 2023

BILL NO. 35-0058

*Testimony
of
Magdalene A. Morancie, Esq.,
on behalf of
Lisa Maria Alejandro, Commissioner of the Department of Property and Procurement
Before
The Committee on Government Operations, Veterans Affairs, and Consumer Protection
of the 35th Legislature of the Virgin Islands of the United States
on
December 18, 2023*

1 Good morning Honorable Carla J. Joseph, Chairwoman of the Committee on Government
2 Operations, Veterans Affairs, and Consumer Protection, to the Honorable Marise C. James,
3 Sponsor of Bill No. 35-0058, members of the Committee on Government Operations, Veterans
4 Affairs, and Consumer Protection, non-committee members of the 35th Legislature, employees of
5 the Department of Property and Procurement, fellow testifiers, and the viewing and listening
6 audience.

7 I am Magdalene A. Morancie, Esq., Chief Legal Counsel for the Department of Property
8 and Procurement, and I am appearing on behalf of Commissioner Lisa Maria Alejandro. I appear
9 before you, pursuant to your invitation, to provide testimony on Bill No. 35-0058, an Act
10 amending title 29 Virgin Islands Code, by adding a chapter 25 to enact The Public-Private
11 Partnership Agreement Act.

12 From our review, the Department understands the Bill seeks to create a framework for
13 the use of public-private partnership agreements (“P3”) in the Virgin Islands, as an alternative
14 method for procuring services for the construction, development, maintenance, and operation of
15 all types of public infrastructure. In creating this framework, the Bill outlines in detail the
16 process a responsible public entity i.e., the Government would follow in either soliciting
17 proposals for a P3 project or in accepting unsolicited proposals for the same. This includes the
18 criteria for evaluation and approval of P3 projects as well as the requirements of the
19 comprehensive agreement and available financing structure and options.

20 As written, this Chapter would be cumulative and supplemental to our existing
21 procurement authorities in Title 31, Chapter 23, Sections 231 through 251 of the Virgin Islands
22 Code. It does not replace or supersede any existing authorities available to the Government in



23 any respect. While the Bill proposes an alternative to the Government, the Bill still requires
24 that the Government make a best value determination by conducting due diligence and making
25 an informed decision on whether the proposed P3 path would be more economical and efficient
26 versus pursuing the project through a traditional procurement method.

27 Public-Private Partnership Agreements have the potential to attract private investment
28 in public infrastructure and can be particularly helpful in areas of strained public budgets to allow
29 for development and long-term maintenance of public infrastructure. Notwithstanding, P3s are
30 a source of financing rather than a funding source, so P3s are attractive to private investors where
31 the project has a revenue stream, like user fees and tolls, to service the debt of the project and
32 provide a return on private investment. Consequently, it is not the answer for all projects. P3
33 projects require significant financial, technical, and human resources for the review of the
34 complex technical, legal, and financial aspects of the proposals and all resulting contracts. To
35 ensure success and minimize risks to the Government, private partners must be properly vetted
36 and meet professional industry standards and have the capacity to finance the approved projects.
37 We recognize the Bill seeks to balance better delivery of projects to the public with protecting
38 the Government's various interests and we look forward to engaging in further discussions on
39 the topic.

40 Madam Chair, this concludes our prepared testimony. Thank you again for the invitation
41 and the opportunity to be a part of today's discussion. I remain available to answer any questions
42 the Committee may have.

