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PFA Approves \$500,000 Financial System Upgrade and Consultant Payment for Vitol-WAPA Negotiations

The PFA's latest meeting sanctioned a \$500,000 upgrade to their financial system to improve efficiency and support growing operations, along with a \$300,000 extension for consultants assisting in the prolonged Vitol-WAPA negotiations

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Squire Patton Boggs is a global law firm specializing in legal services, public policy, and government relations, known for navigating complex legal and political landscapes.

During its regular meeting on Wednesday, members of the territory's Public Finance Authority approved spending of approximately half a million dollars to upgrade the authority's existing financial system. Board members also approved what is anticipated to be the final contract

extension for consultants Squire Patton Boggs for their assistance in bringing the drawn-out negotiations with Vitol to a close.

PFA Controller Joy Wheatley explained to board members that a software upgrade has become necessary at this time because the current version of their financial system will now receive only limited support from Microsoft. Additionally, because the PFA has grown significantly over the years, with the onboarding of additional staff and the expansion of its scope of work, Ms. Wheatley said that a system upgrade with additional capabilities has become necessary.?

She noted the establishment of the Office of Disaster Recovery and the Matching Fund special Purpose Securitization Corporation, both of which fall under the auspices of the PFA. The software upgrade will facilitate the automation of most manual processes “in order to improve efficiency,” Ms. Wheatley assured. The upgrade will also enhance the PFA’s human resources and payroll capabilities, something that is sorely needed as the agency expanded from 33 to 70 employees, and a maximum capacity of 135 employees after all current vacancies are filled.

Ms. Wheatley estimated that it would take six months to implement the upgrade, with no loss of productivity during that timeframe, as the old and new systems would work in parallel until the upgrade is complete. The cost would be capped at \$501,500.

PFA board members accepted the recommendation without significant discussion, and the request was approved.

Similarly, a contract extension for Squire Patton Boggs was approved without dissent. They first began work on the Vitol issue in 2022, when the fuel supplier had cut off deliveries to the Water and Power Authority. The consultants played a key role in negotiating the resumption of fuel deliveries, and were also intimately involved in the subsequent negotiations for WAPA to purchase Vitol’s LPG infrastructure using federal grant funding. The lengthy nature of those processes, which are still incomplete, necessitate a contract extension for an additional three months – from May to August of this year. The three month extension would bring the total contract amount from \$800,000 to \$1.1 million, PFA members heard.

Governor Bryan appeared confident that the conclusion of WAPA’s business with Vitol, and with Wärtsilä, “will smooth out the St. Thomas, Water Island, and St. John power outages”.

The meeting ended following an executive session where PFA members discussed matters relating to providing additional assistance to WAPA that were not suitable for disclosure to the public at this time.