

Image not found or type unknown

Conflict of Interest Alleged in Super PMO Contract Award as \$30.2 Million Bid is Rejected in Favor of \$137 Million Contract

Hill International has sued the ODR, alleging conflict of interest after its \$30.2 million bid for the Super PMO was rejected in favor of a \$137 million contract. The suit seeks to halt the contract's finalization

Disaster Recovery / **Published On September 11, 2024 08:00 PM /**

Janeka Simon and Ernice Gilbert **September 11, 2024**

Image not found or type unknown



Hill International headquarters.

The V.I. Public Finance Authority and the V.I. Office of Disaster Recovery are being sued by one of the firms who bid for a lucrative contract with the territory's [super project management office](#). The Super PMO is expected to “coordinate the efforts of all contractors, government agencies and other key stakeholders,” as part of the Rebuild USVI initiative announced this year by Governor

Albert Bryan Jr.?

Earlier this year, Hill International Inc. responded to a request for proposals, which described a need for the management of [\\$16.7 billion in recovery projects](#). The RFP reportedly indicated that at least two contractors would be selected to perform the required work.

[Hill International](#) describes itself as a global leader in construction consulting and project management services. The company specializes in managing large, complex construction projects across various sectors such as infrastructure, transportation, and buildings. Hill provides expertise in project management, construction management, cost estimation, risk management, and dispute resolution. Founded in 1976, the firm operates in over 40 countries, offering clients support in overseeing projects from planning and design to completion, ensuring they are delivered on time, within budget, and to the required standards. Its services help mitigate risks and resolve issues that arise during construction.

Hill's proposal, submitted in May, offered both project management and delivery, and construction management services at a total cost of \$30.2 million.

In August, Hill received the news that they had not been selected for the project. They were nonplussed to learn that the contract had instead been awarded to a single company, CH2M, for [a \\$137 million](#) — over four times the bid Hill presented.

The unsuccessful firm asked for, and eventually received a briefing to learn why their bid had been rejected. The online meeting was attended by several government officials including PFA counsel Kye Walker, and ODR director Adrienne Williams-Octalien.?

According to the complaint filed by Hill, Ms. Williams-Octalien declined to say why ODR had selected only one contractor instead of the multiple indicated by the RFP. The briefing did reveal, however, that Hill had scored highest on cost effectiveness, and second highest overall out of nine bidders. According to the complaint, Ms. Williams-Octalien said that CH2M's bid – \$106.7 million more than Hill's \$30.2 million proposal – represented the best value for the territory. Reportedly on the advice of attorney Walker, the ODR director did not respond to questions about Hill's scoring.

Hill's suit alleges conflict of interest in the evaluation of the proposals. Three of the five individuals on the evaluation committee are employees of the Department of Public Works — Tawana Nicholas, DPW Commissioner Derek Gabriel, and Jomo McClean. CH2M's parent company Jacobs Solutions, Inc. has two employees working at DPW, the lawsuit alleges. "This creates an impermissible conflict of interest," Hill's attorneys argue.

They allege that the decision made regarding the award of this contract was "arbitrary, capricious and an abuse of discretion, and contrary to both federal and Virgin Islands procurement law." The company points to [a previous audit from the Office of the Inspector General, U.S. Office of Interior](#), outlining deficiencies such as "waste/misuse of funds and failure to establish procurement rules" in the Public Finance Authority, which Hill contends calls into question the PFA's ability to operate in a transparent and accountable manner.

"During our audit, we uncovered poor procurement practices and major deficiencies in the management of projects paid for with bond proceeds; because of the magnitude of these deficiencies, which involved several Government of the Virgin Islands (GVI) agencies, we are reporting these findings to you in this letter," found the OIG, U.S. Office of Interior.

The audit further states, "We reviewed 12 GVI capital improvement projects, valued at more than \$25 million and financed with PFA-issued bond proceeds, and found serious procurement deficiencies and inconsistencies in how GVI's Department of Property and Procurement (DPP) solicited, evaluated, awarded, and administered contracts for these projects. Furthermore, we found that a GVI agency wasted valuable bond proceeds by purchasing potentially unusable land."

A request to meet with Director Williams-Octalien to speak on the matter in the hopes of avoiding litigation went unanswered, Hill says – thus the need to bring this lawsuit.

Hill is asking the court to issue a temporary restraining order and ultimately a preliminary injunction against the PFA and ODR finalizing their contract with CH2M, or having that firm perform any work under that contract.?

If successful in this endeavor, this would mean a delay in the operationalization of the Super Project Management Office until this legal matter is settled, adding further delays to the territory's long-awaited construction boom post-hurricane.

Attempts to reach Ms. Williams-Octalien for comment were unsuccessful.

© Viconsortium 2024