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## Lawmakers Seek Stronger Penalties for Construction Delays Amid Paul E. Joseph Stadium Setbacks

Continued delays at the Paul E. Joseph Stadium project have prompted Senator Bolques to propose tightening liquidated damages regulations. Officials confirmed that while such penalties exist in contracts, loopholes allow extensions through change orders.

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An aerial shot of the Paul E. Joseph Stadium under construction. By. V.I. DEPARTMENT OF PUBLIC WORKS

Continued delays associated with the construction of the Paul E. Joseph Stadium in St. Croix have led Senator Angel Bolques to suggest strengthening the territory's existing laws governing liquidated damages – the sum the employing party in a construction contract is able to collect in

the event of delays that are the fault of the contractor.

He made the remarks during Monday's meeting of the Committee on Government Operations, Veterans Affairs, and Consumer Protection, to which the Department of Property and Procurement's leadership was invited to testify. As they have done previously, several lawmakers referred to the [sluggish pace of construction](#) at the site and wondered what options the government has. Senator Franklin Johnson, again, stated that he has no intention of acquiescing to the developer's [request for additional funding](#) via a delay claim.

Senator Bolques, in his line of questioning, noted that "every contract that is administered by the Department of Property and Procurement has certain stipulations to protect the interests of the government...If there is a failure to complete work on time, there's obviously a stipulation to protect the interest of the government." However, contractors, said Mr. Bolques, have identified a "loophole" where "they can implement change orders" that often extend the project timeline.

Indeed, DPP's commissioner Lisa Alejandro verified that "in instances where a change order was submitted for time and was approved, it does not apply." While liquidated damages are included in the current contract for GEC, LCC, Ms. Alejandro told lawmakers "I've not approved any liquidated damages for the Paul E. Joseph [Stadium]."

Bolques has promised to continue the conversation on Paul E. Joseph-specific liquidated damages with the Department of Public Works. In the interim, however, the at-large senator thinks it is the appropriate time to consider increasing the amount of damages that a contractor can owe. According to Mr. Bolques, "for a contract that is \$1 million to \$2 million, [liquidated damages] is \$250 a day...The numbers I'm looking at are relatively low. I don't know what year they were approved." He sought the opinion of Ms. Alejandro who noted that "as far as I know, this portion of the regulations have not been addressed in recent years."

"I would encourage the department to look at that," Mr. Bolques suggested. "I think it would be a catalyst in getting some of these contractors to be able to do their job." The Government of the Virgin Islands, the lawmaker said, must "let these guys know that we mean business...We need to get our work done. We're giving you a contract. While I respect all the contractors in this territory, we need you to do your job. We're using our public funds."

Though no formal intention to adjust the liquidated damages rate on government contracts has been initiated, Ms. Alejandro advised lawmakers against codifying increases, as setting rates in stone will reduce "flexibility to increase it when we need to increase it."