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After Years of Delays, \$313 Million Contract Clears First Steps for Rebuilding St. Croix and St. Thomas Hospitals

Clark-MCN USVI secured approval for \$313M to lead initial phases of the Juan F. Luis and Schneider Regional rebuilds, promising national resources, cost savings, and experience, though concerns linger over risk and heavy reliance on management-only roles.

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Juan F. Luis Hospital logo. By. V.I. CONSORTIUM.

After years of planning, the massive effort to rebuild both the Juan F. Luis Hospital on St. Croix and the Schneider Regional Medical Center on St. Thomas is moving forward. On Thursday, the Office of Disaster Recovery (ODR) secured board approval for a \$313 million contract with

Clark-MCN USVI, a joint venture selected to lead the early phases of the long-awaited projects.

The decision came after several attempts by ODR to attract qualified bidders. Ultimately, only two responses were received to the request for proposals, with Clark-MCN winning the evaluation committee's approval. ODR Director Adrienne Williams-Octalien noted that the joint venture does not intend to self-perform construction trades. "They indicated that they will perform management processes only," she explained. Instead, the companies will draw on their "national network" to provide resources and manpower needed to complete the projects.

Williams-Octalien said a cost review revealed that Clark-MCN's personnel rates were three percent below the average for similar contracts and "less than the average of existing contracts."

The companies submitted separate bids for each hospital. Clark-MCN estimated the Juan F. Luis rebuild at roughly \$678 million, while Schneider Regional was projected at \$836 million. Williams-Octalien explained that JFL is already "fully designed," while Schneider remains in the early stages of its design-build process, accounting for the cost difference.

Thursday's approval covers only the first two phases of work at both hospitals. The contract value is just under \$313 million, split between \$139.3 million for JFL and \$173.6 million for Schneider Regional.

- JFL Phase One: 12 months, up to \$4.6 million
- JFL Phase Two: 18 months, up to \$135 million
- Schneider Phase One: 12 months, up to \$8.1 million
- Schneider Phase Two: 18 months, up to \$165.5 million

Williams-Octalien said the first two phases will include design completion, constructability reviews, and "any value engineering." After these stages are finished, ODR will return to the board for authorization on additional guaranteed maximum pricing.

Asked whether Clark-MCN could deliver two major hospital projects simultaneously, Williams-Octalien said the evaluation committee was confident in their capabilities. The joint venture, she noted, has "wide experience with building healthcare facilities." She added that having the same contractor work on both islands should produce economies of scale and potential cost savings.

She defended the phased approach, describing it as a collaborative design-build model that reduces the likelihood of costly revisions. "It is the designer and the contractor working together to stay within the value that has been outlined in the contract parameters," she said.

Governor Albert Bryan Jr. also endorsed the method. "These contracts are bonded at the beginning of the contract," he emphasized. "It's not like the contractor could bail out in the middle of it and say I'm not going to do this anymore." He said the shared risk ensures that "everybody kind of works towards getting the project complete on budget."

Despite unanimous approval, some reservations remained. Board member Dorothy Isaacs said the territory was placing significant trust in Clark-MCN. "We're putting a lot of confidence in the

contractors,” she said, stressing that delivering modern, functional, and well-designed hospitals is of critical importance. Still, Isaacs raised no objections when it came time to vote, allowing the contract to pass without opposition.

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