

The Virgin Islands Consortium

Lack Of Set-Aside Funding By VI Government For Disaster Recovery Exacerbates Slow Payment Process For Subcontractors, Contractors Tell Plaskett

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Delegate to Congress Stacey Plaskett recently met with subcontractors working on disaster recovery projects in the U.S. Virgin Islands, a meeting held to understand the issues being faced by these subcontractors on what has worked, community concerns, payment and non-payment to them and vendors, as well as processes needed to be put in place to better execute on the billions of federal dollars Ms. Plaskett and others were able to secure in disaster funding over the last two years.

An issue that has caused problems for the subcontractors which has not been highlighted in the past, is what Ms. Plaskett said was the constant change in the processes not only in billing, but the scope of work.

"The subcontractors informed that a major issue in payment occurred during construction where, after bids were awarded, work scopes changed due to new codes while work was already underway and change orders were not allowed," she said. "Also, subcontractors were required to produce payment bonds which were not in concert with contractual agreements; and the battle continues to be a major issue to this day."

Additionally, Ms. Plaskett said the subcontractors, who have performed disaster recovery work in mainland states said they had not encountered these issues prior to the USVI experience because of reserves set aside by state governments solely for such efforts.

"Particularly enlightening was the observation of contractors who have worked in other states that these issues did not occur on the ground in those jurisdictions because municipalities and states had sufficient surplus or funds set aside for disaster to pay out to contractors, subcontractors, and vendors and wait for reimbursement from the federal government. The Virgin Islands does not have those additional revenues," she said.

[Earlier this month](#), Government House said at least ten Virgin Islanders whose homes were repaired through the Emergency Repair Home Program found themselves having to respond to liens placed on their homes by a subcontractor working in the program. Such actions show the desperate measures some companies have taken secure payment for work performed.

"I have reached out to and received commitments from my Republican colleagues who represent the districts where the subcontractors have headquarters to assist in ensuring the Virgin Islands can draw down on funds to support our rebuilding efforts," Ms. Plaskett said.

He added, "This meeting highlighted the importance of the Virgin Islands being able to not just utilize CDBG funding for cost-share but to press the [Trump] administration to implement the Insular Areas Act which allows federal agencies to waive cost share requirements.

"This meeting enforced my desire for Governor Bryan to press the federal government to utilize the Act for our benefit. As an elected federal official and member of House Transportation and Infrastructure Committee, I have a responsibility to ensure unnecessary federal processes that often re-victimize people and jeopardy the recovery efforts for entire Virgin Islands community are fixed."