

WAPA Approves 1-Year Contract With Borinken Marine Group for No. 2 Distillate Fuel Oil; Authority Cancels Land Purchase Contract With VIPA

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A Borinken Towing and Salvage vessel.

The V.I. Water and Power Authority board on Thursday approved WAPA's request to enter into a 12-month contract for fuel supply with Borinken Towing & Salvage (Borinken Marine Group) for the supply of No. 2 distillate fuel oil and Ultra-Low-Sulfur Diesel(ULSD).

WAPA said in a release that the request was developed as a part of "ongoing efforts to secure an agreement with a vendor for the exclusive supply and delivery of varying amounts of No. 2 fuel oil and ULSD required for electrical operations."

According to the release, although WAPA intends to utilize Liquefied Propane Gas (LPG) as its primary fuel source for power generation, No. 2 distillate fuel oil is required for start-up and/or emergency operation of all existing gas turbines.

"Additionally, No. 2 distillate fuel oil serves as a standby fuel source for power generation in circumstances where LPG supplies are interrupted or cannot be burned by any available turbine(s)," WAPA said. "Furthermore, ULSD will be required for use by black start emergency generators as well as the Authority's new Wartsila engines which are currently under installation."

The authority's contract with Borinken was approved for a duration of twelve months with an option to extend for an additional six months, WAPA said. To avoid any interrupts in fuel supply, the governing board also voted to authorize Interim Executive Director Noel Hodge to execute a month-to-month contract extension with the existing fuel supplier, Glencore Ltd., until an agreement with Borinken Towing & Salvage (Borinken Marine Group) can be formally executed.

In other action, the board approved:

- A no-cost time extension for Fortress contract SC-22-19 from Dec 31st, 2021, to March 2nd, 2022. While Fortress Electric has substantially completed the installation of the No11 Load Center (LC11) which is energized and in use at Richmond Power Plant, this 60-day extension will give Fortress Electric and the Commissioning and Startup team additional time to complete pending items according to applicable regulations and standards.
- Cancellation of a Land Purchase Contract involving Virgin Islands Port Authority (VIPA) which was entered into upon Governing Board Approval issued on April 28, 2020 in the amount of \$2.65M. The purchase was intended for placement of a federally funded building for the authority's Transmission & Distribution Department. However, such funding has not materialized. Further, the agreement called for VIPA to seek and obtain legislative approval which has not occurred.
- A modification to SC-29-20 contract with FXB, Inc. for the Underground Project Management. Modifications include changes to language as it relates to Per Diem, Subconsultant Engagement, Design Services and Expense Reimbursement.
- Authorization for the Interim Executive Director to secure Directors and Officers and Employment Practice Liability Insurance Coverage.