Legislature of the Virgin Islands

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The Honorable

Angel Bolques, Jr.

Senator-At-Large

36th Legislature of the Virgin Islands

CHAIRMAN
Committee on Culture, Youth, Aging, and Parks

VICE-CHAIRMAN
Committee on Economic Development & Agriculture

MEMBER
Committee of the Whole
Committee on Rules & Judiciary
Committee on Homeland Security, Justice & Public Safety
Committee on Disaster Recovery, Infrastructure and Planning
Sub-Committee on Energy & Infrastructure Development

July 30, 2025

Maurice Muia
Chairman of the Board
Virgin Islands Water and Power Authority (WAPA)

Karl Knight
Chief Executive Officer
Virgin Islands Water and Power Authority (WAPA)

Re: Concerns Regarding the Proposed Empire Gas LPG Supply Contract

Dear Chairman Muia and Chief Executive Officer Knight

I write to formally express concerns regarding the proposed approval of Empire Gas of Puerto Rico as the liquid propane gas (LPG) supplier to the Virgin Islands Water and Power Authority (VIWAPA). These concerns have been vehemently expressed to me over the past 48 hours through many phone calls. Please know that I have been and continue to be a supporter of the work WAPA has done and is doing on behalf of the people of the Virgin Islands. However, this new development has raised serious concern for me—if the details presented are indeed accurate and factual.

In April 2025, VIWAPA issued a Request for Proposals (RFP) seeking qualified suppliers of LPG to service the territory's generation facilities. However, the RFP was not broadly distributed or advertised in major industry outlets, limiting fair access to qualified bidders. More importantly, the RFP clearly established the following minimum qualifications:

- At least 10 years of experience delivering LPG to industrial or utility clients in remote or island environments.
- References from at least five clients of similar size and complexity.
- Demonstrated ability to meet HD-5 LPG quality standards and operate or charter compliant LPG marine vessels.
- Proven emergency response capabilities, including nearby storage infrastructure and contingency plans for disruptions such as hurricanes.

In addition, the original bidding process involved submissions from Vitol, CaribLPG, Saintnal, and Borinken. All submissions were made available for review. However, despite credible participation from qualified entities, the Board was advised that the solicitation "failed to meet the objectives" and asserted that no bidder was suitable.

Rather than publicly reissuing the solicitation or broadening outreach to increase competition, VIWAPA entered into direct negotiations with Empire Gas, a company that did not participate in the original process, submitted its bid after the published deadline, and failed to meet the essential qualifications listed above. It is important to respectfully note the following.

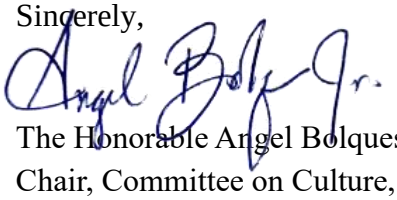
- The company lacks any verifiable history of delivering propane through maritime channels.
- It has never owned, operated, or chartered maritime vessels for the transport of LPG and does not carry adequate marine insurance for this type of cargo.
- The company is reliant on a third-party supplier—Geogas—for product sourcing, introducing significant risks of supply chain disruption, pricing volatility, and delivery uncertainty.
- Geogas, the supplier on which Empire depends, declined to participate in the original RFP process, raising serious questions about Empire's ability to secure reliable and committed supply.
- Empire does not possess the required emergency response infrastructure or contingency planning capacity necessary for operating in hurricane-prone island jurisdictions.
- The company has not demonstrated compliance with established international maritime safety or environmental protection standards.
- Empire cannot document at least five past or current contracts in the maritime LPG supply sector with clients of similar size and complexity, as required in the RFP.
- The company submitted its proposal after the published deadline. Page 15 of RFP PR-17-25 clearly states that faxed or late submissions would not be accepted, yet this disqualifying criterion appears to have been waived without justification.
- Empire did not participate in the original round of bidding, further calling into question the transparency and consistency of the procurement process.
- The company was allowed to view the pricing and technical terms of all competing bidders before submitting its own offer, giving it an unfair and improper competitive advantage.
- There is no indication that any of the original qualified bidders were invited to revise or resubmit proposals under new or relaxed eligibility criteria.
- There is no public record or available documentation indicating that VIWAPA conducted a comprehensive technical or financial assessment of Empire Gas prior to advancing the contract for Board approval.
- If the Authority intended to alter or relax the eligibility criteria outlined in the original RFP, a new public solicitation should have been issued to ensure fairness, competition, and compliance with procurement best practices.

I respectfully state the following, proceeding with the Empire Gas agreement in its current form may expose the Virgin Islands to serious risks including the threat of fuel supply disruptions that could result in blackouts and emergency shutdowns, inflated fuel costs due to reduced competition and weakened negotiating leverage, loss of public trust and potential regulatory scrutiny stemming from a lack of transparency, and insufficient hurricane preparedness caused by the vendor's lack of proven maritime and emergency response capabilities. To protect the territory's energy security and public interest, I strongly urge the Board to consider suspending consideration of the proposed contract temporarily, reissue the LPG supply RFP with broad public notice to attract a wider pool of qualified suppliers, and ensure a transparent, documented evaluation process based on clearly defined criteria tied to experience, technical capacity, and financial reliability.

The original RFP was carefully constructed to ensure a reliable and secure supply of LPG for the people of the Virgin Islands. Departing from the established procurement process to approve a vendor that does not meet critical requirements could place our energy infrastructure at risk and may undermine public confidence in VIWAPA's ability to ensure reliable and transparent stewardship. I respectfully request full due diligence on this matter and urge you to prioritize transparency, fairness, and the long-term interests of the Virgin Islands.

Thank you for your attention, and I stand ready to assist in facilitating a more open and accountable resolution to this matter.

Sincerely,



The Honorable Angel Bolques, Jr.
Chair, Committee on Culture, Youth, Aging, and Parks
Senator At Large, 36th Legislature of the Virgin Islands