

2008 State Damage Prevention Program Grants Final Report
Funding Opportunity Number: DTPH56-08-SN-0001
CFDA Number: 20.720

Award Number: DTPH56-08-G-PHPS06
Project Title: State Damage Prevention Project
Date Submitted: *May 15, 2009*
Submitted by: *Elizabeth Skalnek*

Specific Objective(s) of the Agreement

Under this grant award the Minnesota Department of Public Safety (Office of Pipeline Safety – MNOPS) upgraded its data management system, which is utilized for enforcement activities, analysis, and documentation. The required upgrade improved the portability of all compliance and enforcement activities common to state pipeline safety programs, while ensuring consistency with other systems. The old system was at least a generation behind currently available technology. The old system was in place for several years and modifications were necessary to maximize effectiveness. Modifications utilizing the older technology were impractical.

Workscope

- *Element (3): A process for reviewing the adequacy of a pipeline operator's internal performance measures regarding persons performing locating services and quality assurance programs.*
- *Element (5): A process for fostering and ensuring active participation by all stakeholders in public education for damage prevention activities.*
- *Element (6): A process for resolving disputes that defines the State authority's role as a partner and facilitator to resolve issues.*
- *Element (7): Enforcement of State damage prevention laws and regulations for all aspects of the damage prevention process, including public education, and the use of civil penalties for violations assessable by the appropriate State authority.*
- *Element (9): A process for review and analysis of the effectiveness of each program element, including a means for implementing improvements identified by such program reviews.*

Accomplishments for this period (Item 1 under Agreement Section 9.01 Progress Report: "A comparison of actual accomplishments to the objectives established for the period.")

The project kicked off on July 11, 2008 and was completed on February 27, 2009.

The existing OPS System met the following elements; the updated system (subject of grant) is functionally equivalent:

Element (3): A process for reviewing the adequacy of a pipeline operator's internal performance measures regarding persons performing locating services and quality assurance programs.

Minnesota's process for reviewing performance measures and quality assurance programs related to locating personnel has been limited to the operator qualification requirements of Parts 192 and 195, and to the extent that locator performance may have been a factor in specific accident investigations. Locator performance is recognized as a contributing factor in a significant percentage of pipeline damages. The proposed upgrade to our data management system will not have any functional enhancements; however, the new platform will provide the ability to enhance the system when additional funds become available. While Element 3 is classified as successfully implemented as a result of the operator qualification inspection and compliance program, we believe it will continuously improved through the upgraded data management system.

Element (5): A process for fostering and ensuring active participation by all stakeholders in public education for damage prevention activities.

Minnesota performs close to 100 damage prevention presentations to excavators and utility operators each year, covering all areas of the State. The majority of these presentations are sponsored by area utility groups, either as part of a formal utility coordinating committee, or a less formal effort of local utility sponsors. These presentations are typically conducted jointly with a representative of the one call notification center. Minnesota classifies Element 5 as successfully implemented.

Element (6): A process for resolving disputes that defines the State authority's role as a partner and facilitator to resolve issues.

Minnesota receives hundreds of damage prevention related inquiries each year. These inquiries can range from questions concerning the requirements of the law and rules to complaints concerning the activities of excavators, utility operators, or the notification center. To the extent that the inquiries are resolved by simply answering questions, there would be little additional effort required. If the inquiry involves a complaint, a Case is created, and any necessary enforcement is handled as described under Element 7. Minnesota classifies Element 6 as successfully implemented.

The data management system upgrade will not include any functional enhancements; however, the new platform will provide the ability to enhance the system when additional funds become available.

Element (7): Enforcement of State damage prevention laws and regulations for all aspects of the damage prevention process, including public education, and the use of civil penalties for violations assessable by the appropriate State authority.

275 citations resulted from CY2008 violations of state damage prevention laws; Civil Penalties in the amount of 61,500 were proposed and \$6,750 was rescinded. All case management, investigations, citations, follow up, time tracking is managed using the OPS System.

Element (9): A process for review and analysis of the effectiveness of each program element, including a means for implementing improvements identified by such program reviews.

Minnesota currently uses various management reports which track case volumes, penalties assessed, penalties collected and rescinded, educational sessions w/number of attendees, Accidents/Incidents, complaints, and pipeline specific inspections/complaints, enforcement actions by type, and complaints by type. This information is used in month by month and year by year comparisons. Additionally, the Voluntary Damage Reporting program is used to measure industry performance. The CGA currently uses MN as an example of an effective State enforcement authority and uses MN charts in presentations nationally. Minnesota classifies Element 9 as successfully implemented. The data management system upgrade will not include any functional enhancements; however, the new platform will provide the ability to enhance the system when additional funds become available. We further believe the example that we can get from this activity, can be easily duplicated by other state programs.

Quantifiable Metrics/Measures of Effectiveness (Item 2 under Agreement Section 9.01 Project Report: “Where the output of the project can be quantified, a computation of the cost per unit of output.”)

This project will not provide any functional enhancements to the existing system; the value of the new system lies entirely in the translation to the new .net language and the re-architecting of the system to simplify and standardize the coding (and system documentation). The new system is portable to other state programs; MNOPS has already licensed the system to two other states at no cost (MI and KS). An agreement with Massachusetts is currently being executed. MNOPS intends to require licensees to share any enhancements with all users and intends to require licensees to propose changes to MNOPS prior to incorporation. This will ensure a product that remains portable and consistent among all users.

While the subject project did not include enhancements, the upgrades provided a new platform upon which enhancements could be made. Subsequent enhancements enabled MNOPS to share the program with other state programs.

Over 1800 hours of MNOPS staff time was dedicated to developing the requirements, user acceptance testing and working with the contractor to resolve issues and develop and test enhancements after the project was completed.

Issues, Problems or Challenges (Item 3 under Agreement Section 9.01 Project Report: “The reasons for slippage if established objectives were not met. “)

No issues, problems or challenges to report. The project was completed on schedule; all objectives were met.

Other pertinent information including, when appropriate, actions taken to address the recommendations PHMSA provided in correspondence dated April 4, 2008 [Reviewer Comments] (Item 4 under Agreement Section 9.01).

To reiterate earlier communications with PHMSA, the original narrative (draft, not final) submitted (accidentally-operator error with Grants.gov) included work unrelated to the database system upgrade; this unrelated work will not be carried out as part of this grant. A revised narrative was submitted and accepted that excluded the unrelated work (Slice of MN, etc.).

Email sent to Karina Munoz on April 11, 2008 (repeated from Progress Report):

This is to acknowledge and respond to reviewer recommendations 3.b.1 and 3.b.2. below.

Response to 3.b.1:

MNOPS is very invested in the product quality for the rewrite of the OPS system as it is the backbone of our program. We will keep PHMSA informed on progress.

Response to 3.b.2:

I agree completely with the reviewer's skepticism on the validity of "slice of Minnesota" proposal. I had my staff remove all references to this proposed study from the final proposal. Unfortunately, a clerical error and unfamiliarity with the Grants.gov attachment process resulted in an earlier version being submitted. I have attached the final version of our grant request narrative to this email.

The initial estimate of \$100,000 to rewrite our OPS system was increased to \$200,000 when all functions, including our non-damage prevention functions, were included. It would be impractical and imprudent to attempt to separate the functions for our system. We also learned of another imminent staff retirement last week. We have decided to use \$100,000 of our salary savings (2 staff) to pay for the balance of the mission critical rewrite of our system. Our hiring process will be somewhat delayed by a State of Minnesota hiring freeze, so we will be short staffed for most of the remainder of 2008.

Because of the short staffing and the additional cost to rewrite our entire OPS program, I do not expect to have available staff or budget to conduct the "slice of Minnesota" study. Please use the attached document, in lieu of the original incorrectly submitted document, to monitor our promised deliverables should you elect to approve our grant request.

Response to 4.a.

Our vendor has requested an extension until Tuesday, April 15, 2008 to submit their revised cost proposal. Please acknowledge and approve this request as we will not be able to submit our contractor costs by COB Friday, April 11, 2008.

The final cost for the OPS System rewrite is \$230,000. Salary savings from a total of five staff departures (the original two vacancies plus three retirements in July-August 2008) was used for the balance of the cost (\$130,000). No "Slice of Minnesota" study was conducted in 2008.

Requests of the AOTR and/or PHMSA

The only request made to PHMSA regarding this grant pertained to OPS System costs in excess of the SDP grant amount (total cost \$230,000); \$130,000 was included in base natural gas and hazardous liquid grant 2008 payment requests as approved by PHMSA.