



Request for Proposal

Pipeline Safety Management System LDC Development and Implementation

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Needham, MA 02494

Prepared by: NGA Massachusetts Advisory
Committee

Document Version: Final 1.0

Date: November 26, 2018



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1.0 Introduction

Several industry incidents over the past decade have called into question the effectiveness of existing programs and processes the industry relies upon to ensure system reliability, and more importantly, public safety. While major accidents with high consequences infrequently occur, when they do the accident occurs because of an *alignment of weaknesses* or failures across multiple activities. The industry has historically relied upon individual safety mitigation measures by *activity* rather than viewing *linked activities* as processes that are more effectively dealt with holistically and broadly recognizes that managing processes requires different techniques than managing individual activities. The industry also recognizes the need to transform traditional thinking, behaviours and culture following a series of recent tragic incidents; in today’s operating environment, historical approaches to maximizing system reliability and public safety just are not as effective as they once were.

Pipeline Safety Management Systems, ANSI/API Recommended Practice 1173 was developed to provide a vehicle and structured approach to transform operational mindsets and ultimately pipeline operations safety culture.

This Request for Proposal (“RFP”) is requesting proposals to determine current membership approaches and progress in adopting RP 1173 core elements into day-to-day operations and to develop strategic and tactical plans to ensure a consistent approach to adopting Pipeline Safety Management System principles. NGA proposes to seek the assistance of a safety management system consultant with specific experience in RP 1173 applications and pipeline operations.



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2.0 Northeast Gas Association

The Northeast Gas Association (NGA) is a regional trade association that focuses on education and training, technology research and development, operations, planning, and increasing public awareness of natural gas in the Northeast U.S. NGA represents natural gas distribution companies, transmission companies, liquefied natural gas importers, and associate member companies. These companies provide natural gas to over 13 million customers in nine states (Connecticut, Maine, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island and Vermont).

NGA was established on January 1, 2003. Its predecessor organizations were The New England Gas Association (founded in 1926) and the New York Gas Group (founded in 1973).

NGA's function areas include:

- operations;
- technology research, development and deployment;
- gas supply planning;
- education and training; and
- outreach and marketing.

NGA's Role

NGA will coordinate all activities documented in the signed agreement with the successful bidder. The NGA Massachusetts Advisory Committee will identify, interview and select the successful bidder.

The NGA will enter into the Contract with the successful Bidder representing its membership in this coordinated effort.



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3.0 NGA Members Participating in RFP

NGA’s Massachusetts Local Distribution Companies (“LDC”) will be participating in this RFP. Information on each Massachusetts LDC is provided below. Additional participation from NGA members, including Transmission and LNG Importers, is not known at this time. Information on all NGA members is shown below. NGA expects, that a significant number of LDCs from the other eight Northeast States will also participate in this project. Bidders should include in their proposal plans to handle additional companies outside of Massachusetts and impacts to timelines and costs.

Massachusetts LDC Members

Customers (thousands)

National Grid (MA, RI & NY)	3,042
Columbia Gas (MA & PA)	541
Eversource Energy (MA & CT)	532
Liberty Utilities (MA & NH)	149
Unitil (MA, NH, ME)	79
Berkshire	40
Holyoke Gas & Electric	8
Middleboro	6
Wakefield	6
Westfield	10
Blackstone	2



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Other NGA LDC Members

Customers (thousands)

Con Edison/Orange & Rockland (NY, PA)	1,258
Avangrid (NY, CT, ME)	996
PSE&G (NJ)	1,832
National Fuel Gas (NY, PA)	746
UGI (PA)	688
New Jersey Natural Gas Company (NJ)	530
Philadelphia Gas Works (PA)	524
PECO Energy (PA)	517
South Jersey Industries (NJ)	670
Central Hudson (NY)	81
Vermont Gas Systems (VT)	51
Enbridge St. Lawrence (NY)	16
Corning (NY)	15
Norwich (CT)	9
Valley Energy (NY and PA)	9
Bangor (ME)	6
Fillmore Gas Company (NY)	
Summit Natural Gas of Maine (ME)	1
Village of Hamilton (NY)	



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4.0 Background & Supporting Information

Pipeline Safety Management Systems, ANSI/API Recommended Practice 1173 was developed to provide a vehicle and structured approach to transform operational mindsets and ultimately pipeline operations safety culture. Since its publication, AGA, INGAA and other industry organizations have provided, and continue to provide, valuable insight and education of the value and benefits of adopting RP 1173. AGA for example has developed an extensive set of resources available for its members focused on elements and benefits of adopting safety management systems and continues to promote and advocate use of API RP 1173. However, while this recommended practice was published in 2015, operators generally continue to struggle with practical and meaningful application of concepts intended to efficiently and effectively enhance safety culture. In some cases, smaller operators do not believe they have the resources to adopt principles highlighted in the RP. In other cases, programs were developed to address essential elements of the RP but fail to do so in an integrated process environment making the program just that; another independent program adding little true safety value.

Some operators within NGA however have adopted the RP, both in spirit and the letter, and are on a journey to transform their culture and capture the long-term benefits. These operators offer other NGA members an opportunity to learn from and to leverage their experience through the collaborative NGA committee framework; regardless of a member's relative size and scale.

NGA is proposing initial work will include Massachusetts member companies due to immediate regulatory recommendations, however will open participation to all active NGA members.



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5.0 Proposal

5.1 Objectives

Bidders must refer to and incorporate API RP 1173 into their respective Proposals with the understanding in general that:

The successful consultant is expected to build on and leverage membership experience, the work of AGA and INGAA, and create a consistent, collaborative strategic and tactical environment to implement RP 1173 regardless of company size or scale. The implementation plan(s) resulting from this work are expected to provide operators with practical tools they need to adopt these concepts within their operations. The goal is to provide a consistent implementation framework for NGA members to reveal and manage risk, promote a learning environment and continuously improve pipeline safety and system integrity. The consultant is expected to provide recommendations for monitoring and measuring progress in meeting implementation goals of individual operators such that sustainable change in operational safety performance is accomplished.

Recognizing the importance of the use of contractors to support membership operations, the scope of this proposal includes a review of contractor operations, similar to the internal local distribution reviews within each participating NGA local distribution company member.

5.2 Scope of Work

NGA seeks a prospective firm to address the following requirements:

Task 1

Task 1 of the program includes a comprehensive review of individual membership approaches to process safety management including specific application of core elements of RP 1173. This will include interviews with member companies including Sr. Leadership through the Field Technician level, review of any program adoption documents and interviews with field personnel regarding day-to-day knowledge transfer of these concepts and principles. The output from this task is a comparative matrix of company approaches in meeting the intent of core PSMS elements. This will provide valuable



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insight into the formal Gap Analysis proposed in Task 2 and help identify existing best practices within the region. Leadership and management commitment will be assessed as part of this task using the RP 1173 framework.

Task 2

Task 2 includes utilizing insight and information gathered in Task 1 to conduct a formal Pipeline Safety Management System Gap Analysis. Each participating company's gap analysis shall also include additional review of the respective company's existing safety management systems/processes in addition to policies and procedures within twelve applicable functional areas of each company including:

- Construction Practices
- Operations & Maintenance Practices (includes key compliance programs and Environmental)
- Engineering Design & Materials Selection
- Gas Control (includes control room management)
- Damage Prevention
- LNG Operations
- Pipeline Safety Public Awareness
- Incident Investigations, Evaluations and Lessons Learned
- Emergency Preparedness & Response
- Employee Competence, Education, Development and Training (includes OQ)
- QA/QC Programs
- Safety & Risk Management (includes DIMP, TIMP)

Each functional area will be assessed through the lens of RP-1173, using an element by element assessment approach by functional area. The deliverable includes a formal gap analysis matrix

Task 3

Based on results of Task 1&2, develop a practical operational implementation roadmap for each company and the entire group specific to gaps and best practices, prioritized by common areas of relative risk, and seek individual company and NGA membership BOD approvals and commitment to



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move forward. Once approved, participating members will work collaboratively to develop consensus around adopting roadmap recommendations within reasonable timeframes. Maturity assessment criteria will be developed along with an on-going implementation assessment schedule. The roadmap is expected to embrace additional education and culture transformation concepts applicable to all levels of personnel within an organization. The roadmap “workbook” includes both a broader membership perspective based on the aforementioned common risk prioritization analysis and individual company risk-based implementation perspectives.

This Task also includes development of an employee/company contractor engagement strategy for each member company leveraging NGA will work with the consultant to seek formal Leadership Commitment to acting on the developed roadmaps.

Additionally, the successful consultant will assist membership participants in developing a common membership policy that ensures consistent on-going leadership engagement. The policy must include a process to identify accountability of those in mid-level and senior level positions, up to and including the operating company’s COO and CEO to ensure sustainability of focused PSMS behaviours as a measured, integral component of corporate goals and culture.

Task 4

NGA recognizes the importance to demonstrate the benefit and encourage engagement of PSMS by applying core elements in a practical operational setting, essentially “making believers” out of day-to-day operations personnel. In this case, the consultant will facilitate and assist membership with a collaborative “deep dive” exercise exploring the process of mains and services construction – design through execution and commissioning a system into service, all through the lens of PSMS elements.

Task 5

Routine and frequent benchmarking of participating NGA member companies to measure performance, identify best practices, and share lessons learned. Development of an appropriate membership approved process and system to share learning opportunities throughout the region including such as those involving near-misses, internal audit and QA/QC findings, regulatory audit findings and other learning metrics.



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5.3 Deliverables

Deliverables may vary by NGA member company due to the current stage of their plan development and implementation. Bidder is expected to provide:

- Comparative matrix of approaches in meeting the intent of core PSMS elements;
- Formal gap analysis matrix and associated relative risk assessments (both individual company and common gap associated risks);
- Develop a company specific practical operational implementation roadmap specific to gaps and associated relative risks, best practices;
- Facilitate and assist membership with a collaborative “deep dive” exercise exploring the process of mains and services construction – design through execution and commissioning a system into service, all through the lens of PSMS elements;
- Development of a membership PSMS Leadership Policy framework to define accountability necessary to ensure sustainability of PSMS integration; and
- Development of recommended core performance measurement metrics and a process to share continuous learning opportunities.

5.4 Closing Date for Receipt of Proposal

Three (3) hard copies and one (1) electronic copy of each completed proposal, clearly marked “NGA Pipeline Safety Management System Proposal”, must be delivered to:

Jose Costa
75 Second Ave
Suite 510
Needham, MA 02494.

Not later than 5:00 pm on January 11, 2019. Proposals received after the deadline will not be considered.



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5.5 Project Start and Completion Date

NGA anticipates that the successful bidder will be awarded the contract in January/February 2019 with completion by December 30, 2019.

5.6 Project Pre-bid Meeting

NGA will hold a pre-bid meeting in Boston, MA on December 18, 2018 at 1:00 p.m. Bidders are asked to contact Jose Costa, jcosta@northeastgas.org if you plan on attending.

5.6 Inquiries

All questions and clarifications pertaining to this RFP should be E-mailed to Bob Wilson no later than 5:00 PM on January 4, 2019. Questions and clarifications received after this date and time will not be answered. bwilson@northeastgas.org

5.7 Evaluation and Award Criteria

Proposals which do not satisfy ALL qualification criteria will be excluded from this bid including:

- Late submissions
- Incomplete submissions

Bidders should note that only those proposals which meet all of the qualifying criteria will be eligible for inclusion in the award process.

The contract will be awarded from the qualifying proposals on the basis of the most economically advantageous using the following award criteria:

- Quality of the proposal and methodology.
- Demonstrated understanding of the requirements.
- Range of previous relevant experience including references to pipeline safety

experience. The successful contractor will have a well-established documented foundation and experience in development, assessment and implementation of Safety Management Systems as applied



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to gas pipeline operations. The consultant must have a working knowledge of the following industry references: (Specific work with clients)

- API RP 1173, Pipeline Safety Management Systems
 - API RP 580/581 Risk Based Inspection (RBI), Risk Based Inspection Technology
 - API RP 750 Management of Process Hazards
 - ANSI Z10-2012 Standard on Occupational Health and Safety Management
 - CSA-Z662-11 Section 3.1 Management Systems
 - OSHA 3133 Process Safety Management Guidelines for Compliance
 - INGAA SMS White Paper
 - AGA Pipeline Safety Management System Guidance Documents
 - Applicable Local and State Pipeline Safety Code Requirements.
 - 49 CFR Part 190, 191, 192, 193
- Quality of resources available for this project.
 - Project timescale.
 - Cost



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6.0 Proposal Format

Bidders must outline how their proposed solution addresses each requirement in the Request for Proposal. Non-compliant proposals may be disqualified.

6.1 Layout of Proposal

Proposals must be structured in accordance with the following headings.

- 1 Executive Summary
- 2 Company Background
- 3 Proposed Methodology and Plan
- 4 Costs
- 5 Bidder's General Information
- 6 Key Personnel

6.2 Executive Summary

The executive summary must contain the following:

- General bidder information
- High-level approach to the proposed methodology and plan
- Summary of cost

6.3 Proposed Methodology and Plan

The proposed methodology and plan must include the following:

- Description of strategic/technical approach
- Project plan to achieve the intent and objectives of this proposal
- Key deliverables
- Time-scale for completion of each deliverable (schedule)
- Proposal for on-going assessment of progress in meeting implementation goals identified in roadmaps



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6.4 Detailed Costs

In the cost section, the bidder should state the following:

- Itemized and total cost for performing all work required to satisfy the Scope of Work
- Allowances for expenses, travel, etc.
- Other costs
- Itemized breakdown of the cost of any options being proposed beyond the minimum specifications

6.5 Bidder's General Information

The following information is required by each proposal submitted:

- Contact name, address, telephone and E-mail address;
- Length of time company has been in existence;
- Number of employees;
- Brief description of the company's principal areas of activity; and
- Any additional information in support of this proposal.

Provide a brief profile of the key personnel who will be delegated to this project:

- Identity the key personnel responsible for carrying out each task;
- Technical knowledge of the personnel responsible for each task; and
- Qualifications of the personnel responsible for each task.

Provide a brief description of the role to be fulfilled by any third-party.

Bidders shall provide details of the following skills and experience in respect of the Request for Proposal:

- Experience in the successful delivery of similar services; and
- Experience of working in the utility industry.
- Client references specific to this work scope.



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7.0 Request for Additional Information from Bidders

NGA reserves the right to request additional information from the Bidders after the closing date.

NGA reserves the right to alter this Request for Proposal at any time and may, at its sole and exclusive option, solicit modified proposals from Bidders as it deems appropriate.

8.0 Bidders Rights to Withdraw Proposal

The Bidder can withdraw its proposals at any time prior to the deadline for receipt of the proposal. The bidder must submit a Written Withdrawal Request signed by its authorized representative(s) addressed to the NGA contact person listed above.

9.0 Termination

NGA reserves the right to cancel this Request for Proposal at any time, and to reject any or all proposals submitted, where such action may be in its best interest.

Any contract awarded as a result of this process may be terminated if sufficient authorizations do not exist.

10.0 Copyright / Intellectual Property Rights

NGA has ownership and copyright for all deliverables produced during this project.

11.0 Other

The successful Bidder will be obligated to enter into a performance contract with NGA including a non-disclosure agreement.

12.0 Contact Information

Names:	Bob Wilson, Vice President Special Projects Jose Costa, Vice President Operations Services
Emails:	bwilson@northeastgas.org jcosta@northeastgas.org

