Inspection Vetting & Screening

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Why do Oil Companies Vet Ships?

- Shipowner / operator is responsible for condition and operation of ship
- Oil companies have had vetting organisations for approximately 25 years
- Manage transportation risk:
  - risk = consequences x probability + public outrage
- Public outrage depends on where, what, who and why

(Tim Knowles)
The Inspection Process

• The Vetting Inspection is simply an inspection i.e. a “snap shot in time”.

• For vetting purposes a vessel does not pass or fail an inspection, but the inspection forms part of the overall screening process.

• Vetting Inspections may be undertaken by:

  i. Individual oil/chemical companies or terminals
  ii. Accredited SIRE inspectors under the SIRE system
  iii. Accredited CDI inspectors under the CDI system
CDI Objectives:

• To constantly improve the safety, security and quality performance of marine transportation and storage for the chemical industry.
• Through cooperation with industry and centers of education, drive the development of industry best practice in marine transportation and storage of chemical products.
• To provide information and advice on industry best practice and international legislation for marine transportation and storage of chemical products to customers and stakeholders.
• To monitor current and future international legislation and provide experience, knowledge and advice from the chemical industry to the legislators.
• To provide chemical companies with cost effective systems for risk assessment, thus assisting their commitment to Responsible Care and the Code of Distribution Management Practice.
• To provide a single set of reliable and consistent inspection data which chemical companies can use with confidence.
• To provide the chemical industry with an independent organization for:
  – Training, qualification and accreditation of inspectors.
  – Development and maintenance of databases on which inspection and risk assessment information can be promulgated.
CDI-M (Marine) was created by the chemical industry to improve the safety and quality performance of bulk liquid shipping.

CDI-M now provides annual inspection reports on the world fleet of chemical and liquid petroleum gas tankers, over 600 ship owners with 3000 ships participate in the scheme.

The inspections are conducted by over 70 CDI-M Accredited inspectors located in ports around the world.

http://www.cdi.org.uk/
The SIRE system is a very large database of up-to-date information about tankers and barges. Essentially, SIRE has focused tanker industry awareness on the importance of meeting satisfactory tanker quality and ship safety standards. Since its introduction, the SIRE Programme has received industry-wide acceptance and participation by both OCIMF Members, Programme recipients and by ship Operators. The expansion of Barges and small vessels into SIRE was inaugurated in late 2004.

http://www.ocimf.com/
What is the Screening Process?

- Process used by oil & chemical companies to assess acceptability of 3rd party vessels to carry their cargoes and/or call at their terminals.

- Inspections, both SIRE and CDI, provide information on operation of vessel and effectiveness of operator’s management system as input to vetting assessment.
  - They are NOT the vetting review

(Tim Knowles)
It is necessary to understand that the actual vetting inspection is only a part of the screening process, and the completed VIQ does not contain any overall verdict as to the acceptability or otherwise of a vessel.

The results of the VIQ along with Owners Comments are used to assist with the actual screening decisions which is made separately by each oil/chemical company or other charterer, but the vetting inspection report is only a part of the overall screening process.

Each of the oil companies, terminals, Port State Control, that utilises the risk management tool of vetting has its own policies and systems that suit its individual needs. The SIRE or CDI inspection is part of the process of each vetting group, as many other aspects and considerations are taken into account before the final evaluation and decision is made to accept a vessel for its nominated use.

The screening process begins with the operator of a vessel completing a Harmonised Vessel Particulars Questionnaire (“HVPQ”). Thereafter, there are three stages.

- First, an oil/chemical company carries out an inspection of the vessel.
- Second, the inspector’s report (including any comments or observations) is provided to the operator for their response, and then the report in a “digested” form together with the operator’s response, commonly known as “Owners comments”, will be uploaded onto the SIRE or CDI database, from which other members of the system can download it as appropriate.
- At the third stage, individual members of the appropriate system oil companies, chemical companies, terminals, etc. can use the report to assist them in making their screening decisions.
The Screening process

• Both the SIRE & CDI systems involve the use of a standardised checklist / form by all the inspectors involved; known as the Vessel Inspection Questionnaire (“VIQ”).

• It may be that some organisations still maintain a system of “approvals” by which a vessel is accepted by the organisation for a period. However, in most cases the vetting department of an organisation will only screen a vessel and accept or reject her in relation to a particular piece of business for which the chartering department of the organisation is proposing to engage her.

• An actual screening decision will naturally be based not only on the vetting report but also (but not limited too), the individual vetting department’s perception of the owner / operator of the vessel, the vessel’s history, Port State Control record, terminal reports and also upon the particular business proposed, since the degree of risk involved will depend upon such things as the specific cargo, the loading and discharge ports, the length and route of the voyage, and indeed the time of year. Also, different organisations may be willing to accept differing levels of perceived risk. However, the vetting department will normally be willing to rely upon an inspection report downloaded from either the SIRE or CDI system, (provided the inspection was conducted sufficiently recently) and it would be unusual for a vetting department to call for a further physical inspection by one of its own inspectors.
The most common reason for rejecting vessels is perceived management and compliance weaknesses within a company, NOT vessel-specific equipment “deficiencies”.

Many ship owners have asked – what do the Charterers want?

The OCIMF Tanker Management and Self Assessment Programme (TMSA) was partly created to address this question and to lead to continued improvement in the tanker industry.

TMSA 2 provides an update that builds on operators experience with TMSA and feedback from the industry.
TMSA (1 & 2) was designed to:

- Complement the ISM system by encouraging self-regulation and continuous self-improvement
- Enable ship operators to demonstrate their strong commitment to safety and environmental excellence

Many TMSA processes and Key Performance Indicators (KPIs) are already in use by better Operators within their existing SMS.

TMSA is intended as a tool for improving an SMS, NOT a replacement for the SMS.
The Screening Process

Individual vetting departments may differ in how recent they require an inspection to be in order to rely upon the inspection report. However, it is understood that every vetting department will be willing to rely upon an inspection report if the inspection took place less than six months previously. It is the policy of some vetting departments to access all of the available SIRE reports when evaluating a vessel that has been nominated for their business.
“The overall screening process should be viewed by the company as an integral part of its own Quality Management System, through identifying its customers needs and thus its own quality objectives. By including the inspection and screening process into its own core process of management review, planning, communication, monitoring, feedback, preventative and corrective actions, measurement and analytical evaluation; a company can meet its customers needs and expectations and ultimately achieve success”.

(Howard Snaith INTERTANKO)
Customers Requirements

Whilst there are a number of core similarities between the various oil and chemical companies, most have nuances and specific requirements particular to their own requirements for both hard ware requirements and software (human based skills and experience).

(We will cover INTERTANKO’s efforts to address these through TOTS and vetting Publications later in this presentation).
Through our Vetting Committee we undertake various work program items aimed at assisting our members achieve their objectives and hopefully working towards continual improvement for the benefit of all concerned.

We will review these as follows:
Objectives & updates:

- **The One Stop Shop Concept /Terminal Acceptance**: We have raised the concept of formation of a common marine assurance “system” (not methodology), which would be accessible and useable by each party concerned in the screening process.

- **Advising of Non Acceptance**: We have raised the issue regarding provision of information to owners to enable them to address, what may be identified as outstanding in a prompt manner.

- **Conditions of Class**: Transparency to report or not to report? Major survey of members 53% response validating concerns (submitted to OCIMF GPC discussions)

- **Reward Systems to Reduce Inspections**: Exploration of establishing further reward systems to benefit good owners.

- **Linking TMSA and the VIQ**: The group undertook a review of the leading and lagging indicators between the VIQ and TMSA- potential benefits from linking TMSA with the VIQ could result in a further shift to more self assessment.

- **Officer Matrix Requirements**: SIRE and CDI have advised that they are planning to seek information from owners regarding officer training systems in their respective forthcoming revised VIQ’s

- **Port State Use of SIRE & CDI reports**: We are reviewing the development of systems to increase the current low usage of SIRE and CDI reports by the Port State Control Authorities (Reduce the number of inspections and better target sub-standard ship)

- **INTERTANKO Guide for Engaging Independent Ship Inspectors**: Raised with SIRE: Potential for greater usage of our standard set of guidelines when engaging independent ship inspectors,

- **Reporting to Oil/Chemical Companies**: We have investigated and provided information to members regarding advice pertaining to “discoverability” in association with reporting incidents to oil and chemical companies and we are in discussion with OCIMF on this subject.

- **OCIMF Committees** assessing several concepts proposed
Use of SIRE & CDI VIQ’s by PSC

• PSC Access can be arranged via confidentiality agreements with both OCIMF and CDI.

• Use by PSC is minimal Circa 3% uptake.

• Exploratory concept to encourage greater use by INTERTANKO via extraction methods to give you the focussed information you require.
Tanker Officer Training Standards (TOTS) working group

Winner of the Seatrade Awards 2009 for “Investment in People”

• Ongoing Recognition as an Industry Standard
• Wider use of e-TOTS version available from Seagull
• Objectives – **Ease Compliance** with Officer Matrix Requirements
• Contact our publishers Marlin [http://www.marlins.co.uk/tots.htm](http://www.marlins.co.uk/tots.htm) for E-TOTS and Paper version of TOTS
Tanker Officer Training Standards (TOTS) working group

3 X “Time in Rank” Training Books
1 X “Time in Company” Training Book
3 x Simulator Training Model Courses
3 x Simulator Verification Model Courses
2 x CD-ROM Computer Based Assessments
There are now 3 major training centres accredited for TOTS simulator training courses:

- MTC Hamburg
- ARI In India
- COMPASS in Manila
- Italian Maritime Academy Philippines (IMAPhil)

All are Accredited to operate TOTS element 4 as follows:

- Module 4A Chemical Tanker simulator Training
- Module 4B Chemical Tanker Simulator Verification
- Module 4C Product Tanker Simulator Training
- Module 4D Product Tanker Simulator Verification
- Module 4E Crude Oil Tanker Simulator Training
- Module 4F Crude Oil Tanker Simulator Verification
Vetting Publication working group

Objectives

• Collect information from the Oil Majors & PSC

• Prepare and publish the information, making it available to the INTERTANKO membership.

• Consider other material which may assist members in dealing with vetting issues.

The Future:

• 9th edition Scheduled for Autumn 2011

• Seafarers Vetting Guide scheduled for Autumn 2012 (NEW)

• 8th Edition Available as both e-Book and Hard Copy.
Vetting Clause working group

• **Issue**
  Vetting clauses abound which are unreasonable and arbitrary and contrary to industry practice.

**Objectives**
Collect all the clauses, which are in circulation today and publish them with an advisory commentary so that people can know and understand the benefits and pitfalls of each of the clauses.

• Developed a balanced model INTERTANKO Vetting clause with Documentary Committee which satisfies Owners & Charterers:

  **INTERTANKO Vetting Clause Book Released September 2009.**
Terminal Vetting Database working group

• Access now opened to non-members of INTERTANKO, including tanker owners/operators, terminal owners/operators, **PSC authorities** and others with a legitimate interest in improving safety.

• Access to the TVD continues to remain free of charge, although access still requires agreement and compliance with the TVD's terms and conditions of use.

• Primary objective remains: The Safety of our seafarers and to benefit all with an active interest in improving the safety of the vessel at the ship shore interface.

The TVD designed with several levels of utility as follows

• Company access TVD prior to your vessel calling at the terminal, **review previous comments submitted and advise your ship accordingly.**

• **Improve safety at the terminal**: If Any ships’ reports a score of “2” or less: (items rated 1-5) (<2 = low)

  The terminal is automatically notified, and asked to directly provide “Terminal Comments” within 30 days for entry into the TVD.

  A “Low Score Alert” is sent to INTERTANKO and to the Chairman of the TVD Working Group.

  INTERTANKO Vetting Committee regularly discusses selected Terminal Vetting Reports (TVR’s) during their bi-annual Vetting Committee meetings.
"Inspection" working group

- "Vetting Inspection Feedback e-database" (VIFF) now meets SIRE Inspector Compliance Requirements!
  **Launched May 2010**

- Updated "PSC Inspection Feedback e-database" (PSCIFF) meets IMO PSCO code of conduct guidelines!
  **Launched October 2010**

Both provide a means of confidential feedback to INTERTANKO via simple easy online systems which can then be shared confidentially with SIRE or the relevant Port State MoU respectively.
Feedback System on PSC Officers

EMAIL: adele.garnett@intertanko.com
FAX: +44 207 977 7011

(CONFIDENTIAL)

STANDARD INSPECTION FEEDBACK FORM
PART 2 – PORT STATE CONTROL INSPECTION

**Scope & Purpose**
The scope of this feedback form is to supply confidential information to INTERTANKO for statistical purposes which will allow the Vetting Committee to continue to produce graphical data for improving Port State Control Inspections.

*This form has been revised based upon the IMO PSC Officer Code of Conduct- MSC/MEPC.4/Circ.2*

<table>
<thead>
<tr>
<th>DATE OF INSPECTION:</th>
<th>NAME OF PORT:</th>
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<tbody>
<tr>
<td>PSC AUTHORITY:</td>
<td>NAME OF VESSEL:</td>
</tr>
<tr>
<td>NAME OF INSPECTOR:</td>
<td>VESSEL IMO NUMBER:</td>
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</table>

**PSC Inspection Questions**

1. Did the Inspector present his identity card at the start of the Inspection?  
2. In your opinion did the Inspector conduct the inspection in a professional manner, interpret the convention requirements in a consistent, pragmatic and professional manner?
3. Did the Inspector comply with the ships housekeeping rules whilst onboard?  
4. Did the Inspector respect the authority of the Master of his deputy?
5. Did the inspector ask any crew to do things contrary to the conventions?
6. Did the Inspector comply with the ships health and safety and security requirements?
7. Did the Inspector wear Personal protective equipment?
8. Did the Inspector explain clearly the procedures and requirements of the inspection in a professional manner?
9. Did the Inspector request any demonstration of functioning equipment and other operational procedures?
10. Did the Inspector conduct the inspection according to the operational needs of the ship?
11. Did the Inspector seek advice when necessary or request further clarification from the Master regarding any observations raised and/or the corrective action required at the time of the inspection?

12. Was the inspection carried out with minimal disruption to the vessel and crew?

13. Did the Inspector explain any findings and discuss any observations made during the close out meeting?

14. Did the Inspector discuss any disagreements with the Master in a calm and positive way?

15. Did the Inspector provide an opportunity for the Master to challenge or discuss in further details on any observations made?

16. If appropriate did the Inspector advise the Master of his right to appeal if the ship was detained?

17. Did the Inspector leave a copy of the report with the Master before leaving the ship?

18. Was the Inspector independent with no apparent conflict of interest against the ship?

19. Was the Inspectors behavior ethical at all times? If not, please provide details below?

20. Did the inspector propose any bribes in return for a issuing a good report or not issuing a bad report where one was not warranted?

Specific Feedback will be shared with Paris MoU and Other Mou's Globally
Q8 Was a close out meeting held and did the inspector discuss each observation raised and provide necessary references to support the observations prior to leaving the vessel?

- Yes: 93%
- No: 7%
- N/A: 0%
Q10 Was an indication of the vessel's acceptability or non-acceptability provided by the inspector at any time during his attendance onboard?

- Yes: 39%
- No: 53%
- N/A: 8%
TMSA working group

Working group produced:

- **TMSA 2 Gap Analysis Document**

- **TMSA 2 Benchmarking database**

- **Guidance on Change management**
TMSA working group LTIF AND TRCF

Lost Time Frequency
as per 31 Dec 2010

T. Rec. Case Frequency
as per 31 Dec 2010

LTIF Pool Average: 1.21

TRCF Pool Average: 3.62
TMSA working group
CREW & OFFICER RETENTION

Crew Retention Rate
(Average 93.6%)
(As per 31/12/2009)

Officer Retention Rate
(Average 91.3%)
(As per 31/12/2009)
Launched March 2010

Traffic Light System, incorporating either Red, Yellow or Green, to indicate if the number of SIRE VIQ observations for your fleet are either above or below, the number of SIRE VIQ observations for the collective of the INTERTANKO fleet.
- Red = above INTERTANKO fleet average
- Green = below INTERTANKO fleet average

Fleet Average Deficiency:

"Total number of deficiencies per SIRE VIQ chapter, divided by Total number of inspections"

12 month rolling period
Confidential
<table>
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<tr>
<th>SIRE Chapters</th>
<th>Petroleum</th>
<th>Chemical</th>
<th>Gas</th>
<th>Intertanko Fleet Petroleum Average</th>
<th>Intertanko Fleet Chemical Average</th>
<th>Intertanko Fleet Gas Average</th>
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ILO 180 MLC 2006 Guidance Book Hours Work & Rest

• Summary / overview of MLC/STCW/ILO180 work and rest hours.
• An explanation of the current minimum safe manning certificate
• Broad general guidelines regarding manning levels
• Guidelines for compliance
• Maintaining records/endorsement monitoring/auditing
• Watch keeping patterns/Optional watch keeping systems
• Providing evidence of compliance for Port State Control (PSC)

NOTE: INTERTANKO Bulletin August 2010: AMSA advised “…..recent incidents in Australian waters, where fatigue appears to have been a factor, have led AMSA to carry out more focussed examination on hours of rest as part of the initial PSC inspection. This may include an examination of other evidence, such as log books…..”

INTERTANKO expects all MoU’s to start to focus on this.

CARP database provides a simple functionality allowing a quick & easy updating of accident data.

Enable members to input their own incident data, on a fully confidential basis whilst allowing INTERTANKO to use the information entered so that:

Objectives:
• Feedback to Members
• Lessons can be learned and shared.
• Similar accidents prevented.
• Standardise accident data and categorisation.
• Standardise simple accident analysis, root cause, direct cause and corrective actions.

Thank you

Questions?