

How vetting process can help ship owners and operators in maximizing profits

Presentation by Cpt. George Karantonis
HSQE & Vetting Manager
DPA / CSO / MLC Rep

EUROTANKERS INC.



What is vetting

- Ship vetting is an in-depth assessment of a ship with respect to its quality and that its owner, operator and manager, right from commissioning to current status
- Vetting enables the charterer to optimize vessel selection by matching available vessels to operational requirements of the voyage and therefore maximizing efficiency



The Objectives of Vetting

- To check whether the ship complies in every respect with international legislation, with certain industrial standards and certain national laws (e.g. OPA-90 to allowed to enter any American port)
- To avoid major oil pollution cases
- To increase safety on board as well as to better the safety management of the company
- To decrease the danger of explosion and/or fire and the ensuing damages for the terminal installation and its surroundings
- To ensure that cargo is not carried on substandard ships.



How important is vetting ?

- Vessel will not be accepted by the charterers
- Vessel can't be fixed
- Voyage will be lost
- Next voyage will be lost



Oil Companies International Marine Forum

OCIMF

- Was formed on 08th April 1970 in response to the growing public concern about marine pollution, particularly by oil, after the Torrey Canyon incident in 1967
- Is a voluntary association of oil companies with an interest in the shipment and terminalling of crude oil, oil products, petrochemicals and gas
- Establish the Ship Inspection Report Programme (SIRE)
- OCIMF is an organization that drives continuous improvement in the design and safe operation of tankers, and Flag requirements are the foundation on top of which best practice is built. One complements the other



Oil Companies International Marine Forum

OCIMF

- Mission is to be the foremost authority on the safe and environmentally responsible operation of oil tankers, terminals and offshore support vessels, promoting continuous improvement in standards of design and operation
- The current membership of OCIMF comprises 98 companies worldwide



SIRE

Ship Inspection REport programme

- Originally launched in 1993 to specifically address concerns about sub-standard shipping
- SIRE is a unique tanker risk assessment tool of value to charterers, ship operators, terminal operators and government bodies concerned with ship safety
- The SIRE database has 8,124 ships and 19,814 reports and 327 registered users. The average number of inspections per vessel per year is 2.44 (2014 statistics)
- The number of vessels in the SIRE database is 8,124, an increase of 51% since 2005



How does it work?

- OCIMF member companies commission vessel inspections and appoint an accredited SIRE inspector
- The inspector receives the vessel particulars and the appropriate Vessel or Barge Inspection Questionnaires from the SIRE database
- The inspection looks at a range of onboard activities from cargo handling processes to the vessel's safety management and pollution prevention measures
- The report is uploaded to the SIRE database.
- The number of times individual vessels are inspected has fallen incrementally in the same period
- On average each report is downloaded and assessed 6.22 times and this reduces the need for additional inspections



How should SIRE be used?

- SIRE reports do not include a pass/fail outcome
- They are downloaded by potential charterers of a vessel and provide input to a risk based marine assurance process (Vetting/Screening) to determine the acceptability of a vessel based on that particular charterers criteria



Inspections – Who benefits?

- SIRE has been instrumental in driving continuous improvement to operational and safety standards in the industry
- SIRE has contributed to:
 - Improved operational standards and a reduced number of incidents.
 - The establishment of uniform standards and training for ship inspectors.
 - Making reports available to all registered members is fundamental in reducing repeated inspections of the same vessel.
 - The reports also provide the ship operator with an independent, professional view of the operation and maintenance of the ship.



Self Assessment (TMSA)

- OCIMF's Tanker Management and Self Assessment programme was introduced in 2004 as a tool to help vessel operators assess, measure and improve their safety management systems.
- A vetting inspection by the company itself
- The company establish specific procedures for the safety management system
- 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



Self Assessment (TMSA)

- 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 be in use by better Operators within their existing SMS



Self Assessment (TMSA)

- TMSA is intended as a tool for improving an SMS, NOT a replacement for the SMS
- The most common reason for rejecting vessels is perceived management and compliance weaknesses within a company, NOT vessel-specific equipment “deficiencies”



Screening process

- Process used by oil and 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.



How SCREENING works

- Vessel's age
- Vessel's managers (Owners and Technical)
- Rating of the Managers (in the industry)
- TMSA review
- Last SIRE inspection review
- VPQ
- Incidents / Accidents (if any) – Owners response
- PSC inspections
- Class Survey Report / Class Status review



How SCREENING WORKS

- Various Terminals' inspections
- Officer's Matrix
- Vessel's performance records
- Crew experience
- Crew nationality (For specific cases only)
- Vessel's flag (For specific cases only)
- Company's response after a vetting inspection



Limitations

- Vessel's age
- Vessel's flag
- Vessel's crew nationality
- Vessel's peculiarities (may affect acceptance by one of the terminals)
- Other



Screening results

- Vessel accepted or not
- Subs lifted or not
- Owner happy or disappointed



Why screening is important for charterers

- Flexibility (Cargo can be delivered wherever there is charterers interest)
- Assurance (The cargo will be safely loaded, transported, discharged)
- Efficiency (Vessel able to load max cargo)
- Optionality (Global acceptability is the optimum)
- Manage transportation risk:
 - risk = consequences x probability
 - risk = consequences x probability + public outrage



Operator's obligations

- Active vetting department
- Qualified shore staff
- Qualified crew
- Qualified ships
- Continuous improvement (Vessel, crew, staff)
- Comply with oil majors requirements
- Proper response (after vetting) (root cause, preventive and corrective actions, no recurrence)
- ISM continuous upgrade (improvement / rules implementation)



Maximizing Profits

- Have well organized company
- Proper implementation of ISM
- Well maintained vessels
- Qualified crew and shore staff



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!!! THANK YOU !!!