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Service Provider:  
**MARiflex Transfer Services B.V.**

STS Location:

**ARA area**

Equipment Stations:

**Rotterdam**

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# AUDIT OF STS SERVICE PROVIDERS

ON BEHALF OF  
TANKER  
OPERATORS

Version: 1.01 (Sep. 17)

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# Auditing of STS Service Providers on behalf of Tanker Operators

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Audit Report for : *STS Service Provider name* .  
Equipment Station : *Location of the Eq. Station* .  
Locations : *Locations that are served from this base* .

version: 3.10 (Feb 18)

Supporting Tanker Operators (M.Y):

- Arab Maritime Petroleum Transport Co
- Andriaki Shipping Co. Ltd.
- Athenian Sea Carriers Ltd.
- Bernhard Schulte Shipmanagement (Cyprus) Ltd
- Bernhard Schulte Shipmanagement (Singapore) Pte Ltd
- Bernhard Schulte Shipmanagement (UK) Limited
- Bernhard Schulte Shipmanagement (GR) Limited
- Claus-Peter Offen Tankschiffreederei (GmbH & Co.)
- Dorian Hellas SA
- Dorian LPG Management Corp.
- IONIA MANAGEMENT S.A.
- GRACE MANAGEMENT S.A.
- Kuwait Oil Tanker Company
- Maran Tankers Management Inc.
- Optimum Ship Services Ltd.
- Spring Marine Management S.A.
- Thenamaris (Ships Management) Inc.
- TMS TANKERS LTD
- TMS CARDIF GAS LTD
- Truong Phat Loc Shipping Trading Joint Stock Company
- Tsakos Columbia Shipmanagement ("TCM") S.A.
- Western Shipping PTE LTD.
- Byzantine Maritime Gas

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## Introduction

Short Introduction on the audit process, duration, attendees and scope.

## Programme

The programme includes all the details regarding the participants and the auditors during the audit procedure and the schedule of the visit at the Service Provider's premises.

## Executive Summary

This includes a general profile of the company as well as the outcome of the audit.

## Findings

### Company profile

This section includes general information about the company as well as its structure and organizational chart. Also, a summary is included regarding each policy such as Quality, Safety etc.

### Management System

The Management System section will mention any information regarding the management system and Certifications (ISO 9001, ISO 14001, ISO 18001, ISO 15000, CO2 or other energy footprint reduction programs).

Additionally, the company's management system is reviewed based on the SPSA: "Ship to Ship Service Provider Management, STS Service Provider Self-Assessment" of OCIMF. The management system is evaluated based on each element of the SPSA guide and comments are made when the baseline level as set by tanker operators is not achieved. Each element is examined as shown at the next table.

## Element 2 Recruitment and Management of Personnel

Baseline Level: 2/4 Level during the Audit: 3/4 Achieved Level after follow up: 4/4

### General Comment:

A robust system is in place however, there are no relevant procedures regarding the induction procedure of STS superintendents or refresher training.

**Resolved**

2.1.3	Qualifications and Experience validation	There is no procedure for validating the experience of STS superintendents.	OK
2.1.4	Familiarization	There is no induction procedure for STS superintendents.	
2.3.all	Retaining Skills	A policy for refresher courses and simulator training has not been developed.	
2.4.2	Interpersonal Skill Training	Meetings related to team building and presentational skills should be included as a procedure and regularly conducted.	

### Guidance / Proposal

An induction procedure for newly recruited STS superintendents should be developed, presenting the company's SMS and procedures, as well as mention any relevant training or minimum number of supervised operations.

A clear policy for refresher training should be developed, at regular intervals, in order for STS superintendents to retain core technical skills through seminars. Additionally, a written procedure should ensure that the STS superintendents are assessed while conducting STS transfers.

Meetings which are currently held can be part of the SMS, allowing for team building and developing interpersonal skills.

### Follow up

A validating procedure with respect to the STS experience has been developed satisfying element 2.1.3.

## Operational Procedures

Vital operational procedures are examined, which should be in line with the best industry practices and OCIMF guidelines; e.g. the JPO development, the data provided to vessels, the fender selection, the mooring plan preparation and the risk assessment. Additionally, the available mooring masters are reviewed for their qualifications and experience.

## Equipment and maintenance

In this section, the available equipment and the maintenance standards will be presented. Specific techniques that are not directly associated with safety and environmental perversion is not mentioned due to confidentiality issues.

Information is presented regarding the records, properties and condition of available STS equipment; especially Fenders and Hoses. It also includes information regarding any hired equipment.

## Location Assessment

The overview of the STS location(s) is presented. Procedures of the service provider and their implementation are examined against the location specific requirements.

## Charterers Criteria

The compliance with the criteria of Various Oil Majors and Charterers are thoroughly examined and presented.

## Annex – 1 Management System Certificates

In this section, additional documents are presented which have been referenced in the main body of this report. Such documents may include company certificates/accreditations.

## Annex – 2 Policies

Policies such as the Quality, Environmental and Security policy are presented.

## Annex – 3 Quality Assurance Questionnaire

The complete Quality Assurance Questionnaire as prepared by DYNAMARINe is presented.

## Annex – 4 OSIS Report

The OSIS report is presented which includes information as registered at the OSIS database with respect to the performance of the STS Service Provider.

## Annex – 5 Documents Examined

This part of the Annex, has a complete list of all the examined documents which are checked for consistency purposes.

## Annex – 6 Photos

Selected Photos will be attached showing an overview of the facilities, maintenance practices and the condition of the equipment.

## Annex – 7 The concept of the audit on behalf of tanker operators

## ANNEX – 7

### **Audit of STS Service Providers on behalf of Tanker Operators- A new concept**

Following information convey a description of the new concept referred as auditing of Service providers on behalf of tanker operators. It describes the concept, process and presents answers to fourteen frequently asked questions.

#### **Background**

Trading opportunities in new locations have led to the continuous growth of Ship-to-Ship transfer operations globally in recent years. This is a healthy and welcome development allowing positive economic growth across the industry. New local STS service providers have developed to provide totally new trading/lightering needs or to compete with existing organizations that offer such services.

Increased competition can have positive effect in improving the services available at a specific location. In the specific industry sector, it has been evidenced that the existing competition can encourage the emergence of low cost, substandard STS providers to the detriment of both the industry and the environment and with negative implications for the worldwide standing of the industry.

These organizations have the opportunity to survive and expand due to the fact that there are no adequate resources in place from their contractors, to evaluate their performance prior to or after each STS operation.

Prudent tanker operators find the current ease of entry to the industry by substandard providers worrying. They cannot directly influence the appointment of STS service providers since it is the responsibility of the trader/charterer or cargo receiver, yet have to take full statutory liability and contractual responsibility for STS operations thereby subsidizing the substandard providers by protecting them from any liability resulting from their errors.

DYNAMARINE proposes an auditing scheme on behalf of Tanker Operators, based on IMO's SOLAS and MARPOL regulations, OCIMF Guidelines, relevant ISO standards and OSIS data.

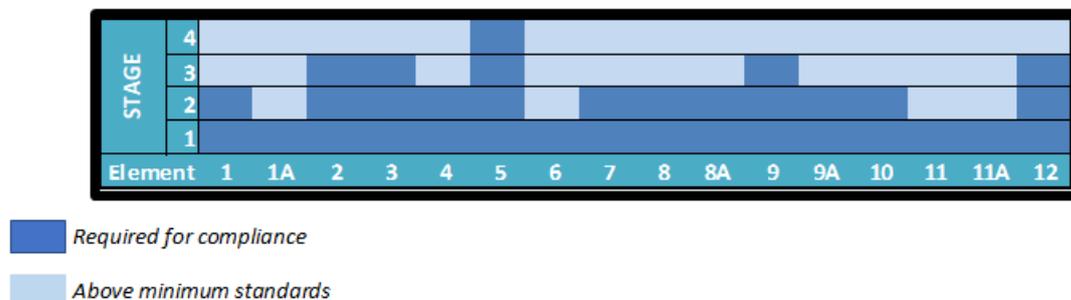
Any audit undertaken by DYNAMARINE is not just a simple review of the SPSA system, records and equipment; it seeks to establish and maintain a continuing link between the tanker operator and the STS service provider to ensure safety and environmental protection during STS operations.

#### **The Baseline Criteria**

It is important that the management system of the STS Service Provider is consistent and follows the latest industry standards. The Self-Assessment scheme developed by OCIMF identifies 12 elements that address Management System KPIs towards adopted policies and procedures. Each element includes 4 stages and each stage includes a number of KPIs.

The level of compliance with these KPIs indicates the general safety culture, the preparedness and the quality of the services provided. The expected level of compliance will in practice depend on the resources available to a service provider linked to the size of the organization and the number of operations conducted on a regional or worldwide basis. Tanker Operators consider that it is essential to establish a minimum level of compliance, as a base line, for a prudent company.

The figure below shows the baseline as proposed on behalf of Tanker Operators. This figure shows the minimum compliance level considered appropriate for each individual element of SPSA [OCIMF STS Service Providers Self-Assessment Guide]. This baseline may be revised in the future in the light of experience, OSIS and industry feedback.



In addition to the review of the management system, the audit includes a visit to the STS Service Provider’s equipment stations to verify the condition of the equipment, it’s storage and maintenance facilities and consistency with the examined management plan.

Through the assessment tool provided by DYNAMARINE, the Master of a ship evaluates the quality of the services of the STS service provider after each STS operation. Ship operators maintain a transparent system, regularly audited along with TMSA audits by oil majors, based strictly on statutory requirements, environmental protection and safety criteria. The system handles this information appropriately and according to requirements.

The feedback from masters that are reported to OSIS will be utilized during the audit and any issues arising will be discussed. Furthermore, issues regarding the location assessment will be discussed and information will be exchanged for the tanker operators to be aware and properly prepared for the hazards as well as the available recourses in each location.

**Tanker operators’ availability of resources for auditing STS service Providers.**

Individual tanker operators do not have the resources to audit STS service providers. The resources they have are limited to their master’s ability to monitor individual STS operations. The operator’s direct involvement starts from the nomination of the provider by the charterer until the commencement of the STS operation - usually between two hours and two days.

**The choice of service provider rests with their contractors, subject that baseline criteria are satisfied.**

Ship operators do not have the right to choose the STS service provider, however they have the right to reject the services of a third party on the basis of justified grounds associated to environmental protection and safety of the operation.

As long as ship operators bare a responsibility on safety and carry the liability if pollution occur they have the right to request that the minimum required standards are provided by the STS service providers involved.

**Validity**

The validity of the final audit report is strongly related to the feedback available through OSIS and may be extended or withheld accordingly. The approval may be terminated when there is evidence, or

strong indications, of inconsistency or noncompliance with the requirements of the Tanker Operators or the IMO and OCIMF guidelines.

In cases where no feedback is available through OSIS the validity is set to one year when a follow up audit should be performed.

### **Confidentiality**

Tanker operators want to ensure that the outcome of the audit fulfils the base line criteria and not in the raw information itself. This means that there should be no conflict of interest in establishing a confidentiality regime regarding sensitive commercial, technical or other data. These issues will be discussed and clarified before the initiation of an individual audit.

It is obvious that all information that will be shared with DYNAMARINE prior, during and after the audit, will be strictly confidential and will be used only for the purpose of the audit. All the material (including photos, documents, records and the final report) will be available to the audited party. Tanker Operators will have access only to a different version of the audit report which does not contain confidential information, not relevant to the need of the tanker operator.

NOTE: During a past STS operation a Service Provider may have provided confidential information to DYNAMARINE or to one of our client. This information was provided only for the scope of the particular operation. When requesting an audit on behalf of Tanker Operators, the STS Service Provider agrees that such information will be considered as part of the audit material.

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