

Seebald & Associates, LLC

Proposal For

Annual 33 CFR Requirements

Includes Options for Audits, Drills Exercises and Facility Security Plan Review

“At Seebald & Associates our audit objectives go far beyond meeting the minimum regulatory requirements. We want your facility to be a leader in your area and we strive to make your Facility Security Officer so knowledgeable about the security regulations and your Security Plan that they impress the Coast Guard inspectors during their annual or surprise inspections.”

Edward Seebald CEO (CDR US Coast Guard retired)

January 22, 2008

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Situation

Now that your Facility Security Assessment and Plan are approved, the challenge for most companies is to remain in compliance with the annual security requirements. Every facility that has a Facility Security Plan must complete a drill every 90 days. They also must complete an annual exercise and an annual audit. The Coast Guard will conduct an annual inspection and an unannounced inspection each year at your facility. During these inspections the Coast Guard inspector will review your compliance with the security regulations. Most Facility Security Officers (FSOs) have very labor intensive jobs and heavy daily demands. With the best intentions, over time, they may forget their security training. The FSO may be caught off guard and improperly prepared, exposing the company to potential fines or penalties which may severely impact the ability to continue regular operations. These penalties range from warnings to monetary penalties. Potential closure of the facility until it comes into compliance with the regulations is another real possibility.

Excerpt from the PUBLIC LAW 107–295—NOV. 25, 2002...

**MARITIME
TRANSPORTATION
SECURITY ACT
OF 2002**

“§ 70117. Civil penalty
“Any person that violates this chapter or any regulation under this chapter shall be liable to the United States for a civil penalty of not more than \$25,000 for each violation.”.

Objectives

- Ensure your facility remains in compliance with Federal Security Regulations.
 - Prepare Facility Security Officer for Annual Coast Guard Inspection.
 - Conduct Facility Security Plan and Facility Security Assessment review; recommend changes.
 - Review regulatory requirements with FSO and requirements of FSO’s plan.
 - Assist in minor amendments to the plan requiring submission to the Coast Guard.
 - Prepare all required documentation for FSO in order to remain in full compliance; forward to FSO.
 - Conduct a quarterly required drill.
 - Conduct a required annual exercise of the Facility Security Plan.
 - Provide any other Coast Guard Compliance Consultative Services as requested by client during the audit visit free of charge.
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Measures of Success

- Pass inspections with minimal impact on operations.
- Facility Security Officer is completely competent to execute the requirements outlined in the Facility Security Plan and is properly prepared for the US Coast Guard annual or surprise inspection.
- No Violations issued. Status Report summarizing all issues sent within 10 days of visit.

Value to Organization

- Minimize impact on operations.
- Freeing up 50% of FSO's time in regard to security issues.
- Staying in compliance of Federal Laws.
- Satisfaction Guaranteed.
- Positive relationship between your facility and the U.S. Coast Guard.

Options

- Option 1: **Conduct Annual Audit**

A review of security operations of facility in accordance with submitted and approved Facility Security Plan. A complete review of the organic and physical security procedures conducted, as well as recommendations for appropriate changes; review of all procedures and protocols required by 33 CFR 105. Using a detailed checklist, facilitator will conduct a thorough record review **and verification** to include, but not limited to: Declarations of Security (DOS) have been properly executed; all Security equipment has been properly maintained and serviced; all training records have been maintained and checked for accuracy and all updates and modifications to the FSP and FSA have been properly implemented and sent to the cognizant Captain of the Port. The issue of a final status report with recommendations to the client within 10 days of visit; as well as the required forms completed in accordance with the regulations documenting the performance of the audit.

Tentative Agenda (Based on FSP and Site Familiarity)

- Facility Security Plan Review (8 Hours) Conducted at Seebald and Associates
- Introduction of participants (15 Min)
- Inspection of facility (Duration – depends on size of facility 15 min – 1 hour)
- Presentation of results of Plan Review (1 Hour)
- Review of forms and records at facility (1 hour)
- Completion of Audit check list (3 Hours)
- Final Documentation Preparation at S & A (10 hours)

- Option 2: **Conduct Audit and Quarterly Drill**
Everything listed in Option 1 plus...a Quarterly drill to include training on how to conduct drills. Includes all paperwork required by the Coast Guard which documents the performance of the drill and any shortcomings. (Duration - approximately an additional hour from Option 1)
- Option 3: **Conduct Annual Audit and Annual Exercise**
Everything listed in Option 1 plus...a table-top exercise for the full facility conducted by our staff. The exercise is designed to be *high impact, on target, and properly documented*; plus it meets the regulation requirements for the annual exercise. (Duration - approximately an additional 1.5 hours from Option 1)
- Option 4: **Conduct Annual Audit, Quarterly Drill, Annual Exercise** (Duration – an additional 2.5 hours from option one.) **And free one-hour training sessions to all non-security personnel at the facility.** *The free training takes an additional hour. We are prepared to give as many training sessions as required to train all of your personnel within a 24 hour period. This is particularly valuable for shift employees.*

Timing

A copy of the FSP is required to be reviewed prior to onsite visit. The FSP must be received a minimum of 21 days prior to arrival for full review.

Accountability

- **Our Accountability**

- Adherence to agreed upon deadlines
- All administrative and office costs
- Final Report within 30 days of visit

- **Your Accountability**

- Access to all key personnel is available during visit
- Copy of FSP delivered 21 days in advance of visit
- Payment in conformance with terms below
- FSO is available for the full time of the visit

- **Joint Accountability**

- We will alert each other to anything we learn that may materially affect the success of the project (i.e. Trained FSO fired, etc)
- We will respect each other's confidentiality and proprietary materials and approaches
- We will achieve reasonable accommodations for conflicts, unforeseen events and other priorities

Terms and Conditions

- The Fee for Option 1 is \$ 3450.00 plus actual travel expenses
- The Fee for Option 2 is \$ 3775.00 plus actual travel expenses
- The Fee for Option 3 is \$ 4225.00 plus actual travel expenses
- The Fee for Option 4 is \$ 4750.00 plus actual travel expenses

Travel Expenses are shared among all facilities being audited in the geographic area.

Payment terms: as in

A payment in full will be required prior to placing facility on annual schedule.

- Upon receipt of payment, confirmed date will be agreed upon
- Travel Expenses will be billed upon completion as actually accrued and are due on presentation of our invoice. Seebald and Associates LLC will attempt to schedule any visits in the local area at the adjacent time slots, if available, to help reduce all travel costs. Expenses will include air, train, and rental car, taxi, lodging, local per diem and related expenses. They will not include any administrative costs such as faxing, copying, phone, office services, etc.

Please check Option requested:

_____ Option 1 _____ Option 2 _____ Option 3 _____ Option 4

We accept the above proposal and the selected option:

For _____
(Company Name)

For Seebald and Associates LLC

Authority: _____
Please print

Edward P. Seebald
President

Signature

Date

Please Fax As Soon As Possible to Ensure you are
on the Schedule

FAX 716-667-7676