



International Association of Drilling Contractors Supply Chain Committee Meeting

07 Feb 2014

IADC – Houston, TX

SUPPLY CHAIN COMMITTEE MEETING MINUTES

Call to Order: The Chairman welcomed everyone in attendance at the Supply Chain Meeting, and reviewed the purpose of the meeting. John Pertgen emphasized that all of us in the room are IADC and we should actively participate in the sub committees to gain the benefits of the initiatives we implement.

Safety Briefing/ Anti – Trust Guidelines: Mr. Pertgen provided the emergency response information. He also reviewed the Anti-Trust Guidelines; wherein he emphasized the core of anti-trust law, and refrain from discussing pricing, dividing, allocating or boycotting suppliers or potential suppliers.

Formal introductions were conducted including new participants. The group discussed the need for earlier intimation for meetings as well as updating the contact list as well as addressing issues of emails not making it thru the company domains, which is the case presently with emails being sent to EnSCO.

DISCUSSION OF SUB-COMMITTEES:

The Chairman then asked the Chairs of the Subcommittees to review their goals and objectives, and present their prioritized initiatives. The SC Chairs expressed the following:

- 1. Metrics Subcommittee (Tom Schexnayder on behalf of Brent Shinall):** Tom shared the results of the meeting with IADC, whereby Brent and Tom met to discuss the Vendor Metric program. Subsequently, IADC Legal approved the concept of IADC independently collecting vendor based information through IADC Supply Chain surveys as it relates to vendor performance. The understanding is that the survey information is historical and does not breach any antitrust guidelines. The email detailing the approval from IADC's Legal Department will be circulated to the members for their records.

Damon Flores reiterated the need for other Drilling Contractors to participate including the Land Based Drillers and the one's incorporated or Headquartered out of the US.

It was further discussed by the group that similar surveys for O&G suppliers are being conducted by Energy point since the last few years. The Supply Chain Vendor Metrics Sub Committee needs to finalize the design and scope for the surveys:

The progress so far from the committee is as follows;

- Get agreement from all participants that they are on board with the approach. This will be finalized at the next subcommittee meeting.
- Finalize the list of predetermined suppliers under the following categories;
 - Oilfield OEM
 - Industrial OEM
 - Distributor
 - Service Provider
- Confirm the frequency of the surveys – quarterly basis was suggested.
- Finalize categories, sub categories with descriptions and survey questions including scoring range (0-5, or 0-10).
- It was also suggested that one survey by Company will be provided. Drillers can ask for feedback from multiple internal stake holders, but would provide one consolidated response.
- Possible awards to be finalized will be Best Performance, Most Improved Performance.

Nomination was held for the Subcommittee Co Chair position. Rodney Barretto was proposed by Tom Schexnayder and voted unanimously by the attending members.

- 2. Global Logistics & Trade Subcommittee (Joe Turner / Boris Kos):** Circulated the draft “Global Supply Chain /Trade Compliance Requirements” documentation. The Chairman recognized the groups for the good work that they have done so far.

Further actions discussed and required to complete the roll out of the document as follows;

- Change the word “requirement” in the title to “guidelines”.
- Remove the approval sheet.
- Include other government agencies in references section and add manufactures affidavit definition and provide example.
- Finalize and release guidelines in March 2014 once IADC’s new logo is published.
Review where guidelines will be published.
- Report on progress and reduction on OS&D’s thur metrics.

- 3. Quality Subcommittee – Presentation (Tom Schexnayder on behalf Ted Mitchell):** Meeting held between Tom Schexnayder, John Pertgen, Ted Mitchell and Steve Kopola in regards to forming a separate Quality Committee outside and separated from the Supply Chain committee. Steve Kropola agrees and supports this approach. A separate IADC meeting will be held to discuss the future of an independent IADC Quality Committee.

OPEN DISCUSSION & COMMENTS

The Logistics and Trade Compliance subcommittee recommended the North America “Latched & Unlatched” project for 2014. It drew a lot of attention and there was general agreement on pursuing in 2014. Formal proposal to be made to the Chairman for approval.

The Committee will reach out to all members for suggestions on 2014 initiatives, so that these can be considered and presented at the next meeting for review and finalization in existing or new subcommittees.

Chairman suggested that we should have many more subject matter expert speakers to participate and educate us on key topics in 2014. If subject’s discussions at subcommittees get extensive a conference could be arranged as is the case with the Maintenance committee.

Possibility of having a committee meeting in Europe or other locations or hold teleconferences.

Proposed term duration for Supply Chain committee Chair and Co Chairman to be on a yearly basis. Elections to be held in April 2014.

Next Meeting Date and Venue:

11:00 AM – 2:00 PM Friday, 25 April 2014, IADC Crown Center 1 & 2 Conference Rooms

Lunch Sponsor: TBA

Proposed Agenda 21 September Meeting

- Report from the Vendor Metrics SC
- Report from the Logistics & Trade SC
- Report from the Quality SC

Attendance:

Name		Company Name
Tom	Schexnayder	Ensco plc
Damon	Flores	Seadrill Americas Inc
Rodney	Barretto	Ensco plc
Boris	Kos	Ensco plc
John	Pertgen	IADC

Holly	Shock	IADC
Joe	Turner	Maersk
Matt	McClellan	Noble
David	Tennison	Noble
Jim	Upchurch	Noble